



**Premier
Explosives
Limited**



Q4 & FY18 RESULTS

CONTENTS



RESULTS SUMMARY



FINANCIAL OVERVIEW



WAY FORWARD



APPENDIX

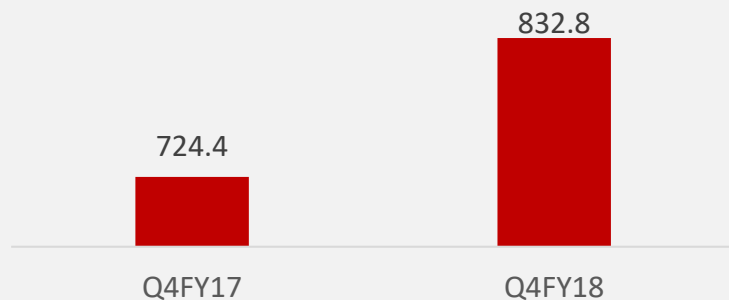
Note: All number mentioned are on Standalone basis.

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.

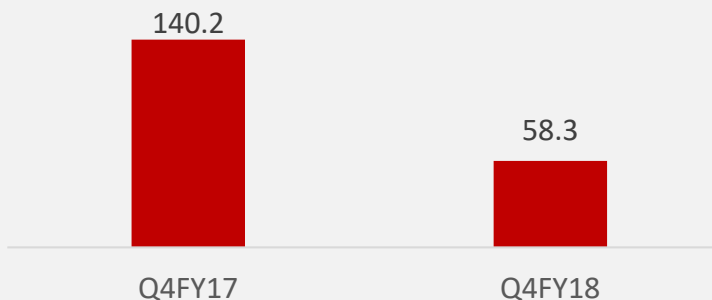
RESULTS SUMMARY – Q4FY18

(INR mn)

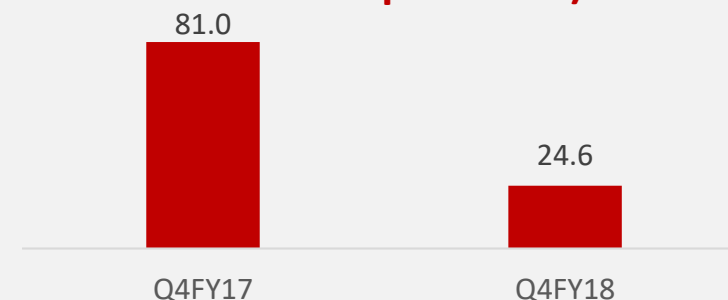
Operating Revenue



Operating Profit



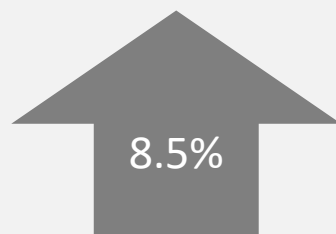
Profit After Tax (from continuing operations)



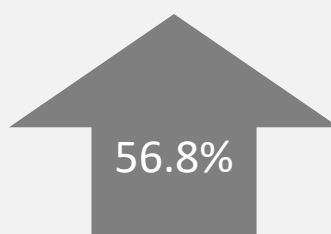
Revenue Breakup (net of ED)

*YoY Growth

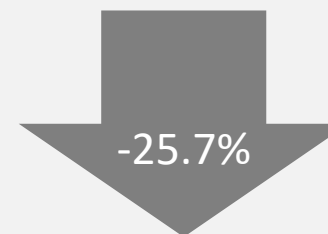
Explosives



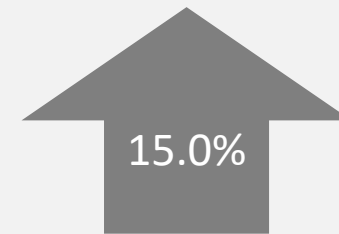
Defence



Services



Total


Q4FY18
536.10

Q4FY17

493.9

238.4

152.0

58.3

78.5

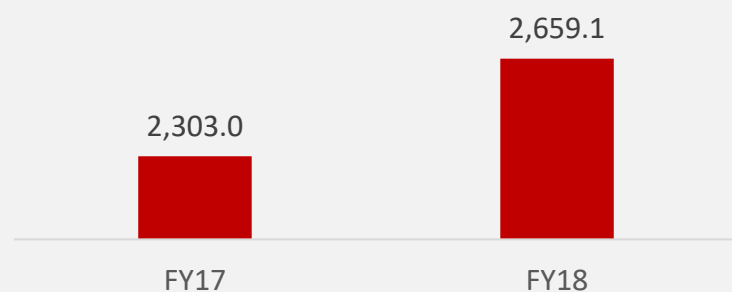
832.8

724.4

(INR mn)

RESULTS SUMMARY - FY18

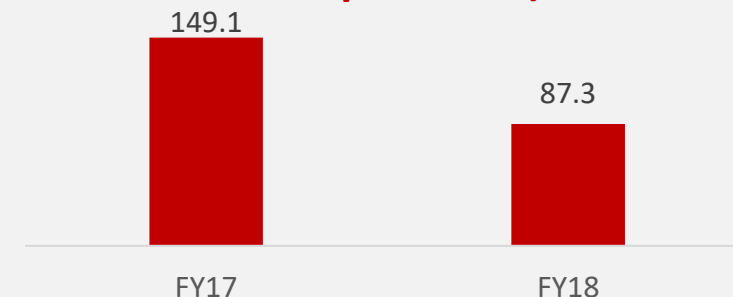
Operating Revenue



Operating Profit



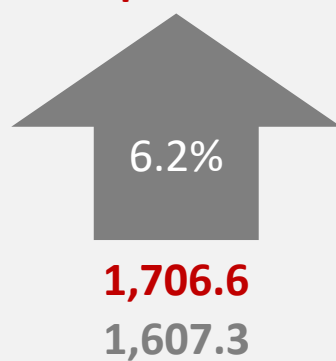
Profit After Tax (from continuing operations)



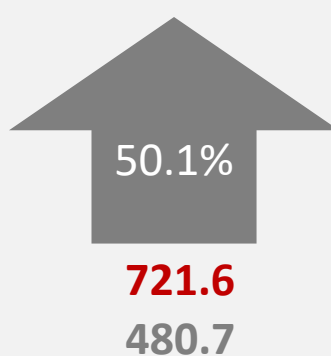
Revenue Breakup (net of ED)

*YoY Growth

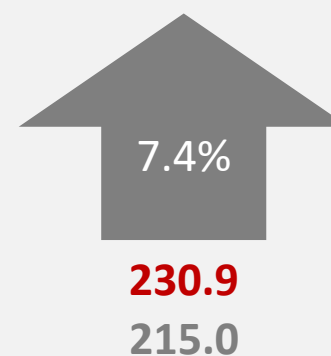
Explosives



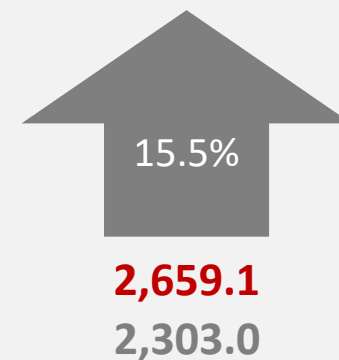
Defence



Services



Total



Total Order book as on 31th March 2018 stands at INR 2,976 mn; Explosives - INR 1,590 mn; Defence - INR 1,081 mn; Services - INR 305 mn

RESULT UPDATE (INR Mn)

Particulars	Q4FY18	Q3FY18	QoQ (%)	Q4FY17	YoY (%)
Rev from Operations (net of ED)	832.8	674.9	23.4%	724.3	15.0%
Total expenses (other than ED, Interest and Depreciation)	774.5	636.4	21.7%	584.1	32.6%
Operating profit	58.3	38.5	51.4%	140.2	-58.4%
OPM (%)	7.0%	5.7%		19.4%	
Other income	7.4	5.8	27.6%	2.6	184.6%
Depreciation	9.1	9.1		8.9	2.2%
Interest	15.7	10.9	44.0%	15.0	4.7%
PBT	40.9	24.3	68.3%	118.9	-65.6%
PBT %	4.9%	3.6%		16.4%	
Tax	16.3	8.3	96.4%	37.9	-57.0%
PAT from continuing operations	24.6	16.0	53.8%	81.0	-69.6%
PAT from discontinued operations	-	-		3.30	
PAT for the period	24.6	16.0	53.8%	84.3	-70.8%
Other Comprehensive Income, net of tax	(2.4)	(1.8)	-33.3%	(1.7)	-41.20%
Total comprehensive income	22.2	14.2	56.3%	82.6	-73.1%
Equity	106.4	106.4		88.60	
EPS for continuing operations (Basic)	2.37	1.54		9.15	

PROFIT & LOSS

(INR mn)

Particulars	FY18	FY17	YoY (%)
Rev from Operations (net of ED)	2,659.1	2,303.0	15.5%
Total expenses (other than ED, Interest and Depreciation)	2,458.9	2,013.2	22.1%
Operating profit	200.2	289.8	-30.9%
OPM (%)	7.5%	12.6%	
Other income	22.0	6.7	228.4%
Depreciation	36.3	33.5	8.4%
Interest	51.5	42.8	20.3%
PBT	134.4	220.2	-39.0%
PBT %	5.1%	9.6%	
Tax	47.1	71.1	-33.8%
PAT from continuing operations	87.3	149.1	-41.4%
PAT from discontinued operations	-	5.5	
PAT for the period	87.3	154.6	-43.5%
Other Comprehensive Income, net of tax	(7.9)	(6.7)	-17.9%
Total comprehensive income	79.4	147.9	-46.3%
Equity	106.4	88.6	
EPS for continuing operations (Basic)	8.42	16.83	

Statement of Assets & Liabilities (as per IND AS)

(INR mn)

Particulars	Mar-18	Mar-17
	(Audited)	(Audited)
Non Current Assets	1,283.8	1,143.6
Current Assets	1,778.0	1,033.9
Total Assets	3,061.8	2,177.5
Equity Share Capital	106.4	88.6
Other equity	,1876.2	1,148.8
Non Current Liabilities	244.2	243.00
Current Liabilities	835.0	697.1
Total Equity and Liabilities	3,061.8	2,177.5

Space Opportunities



Currently

**PEL has been
operating and maintaining
solid propellant plant of
ISRO at SHAR, Sriharikota
for the past 10 years**

Now

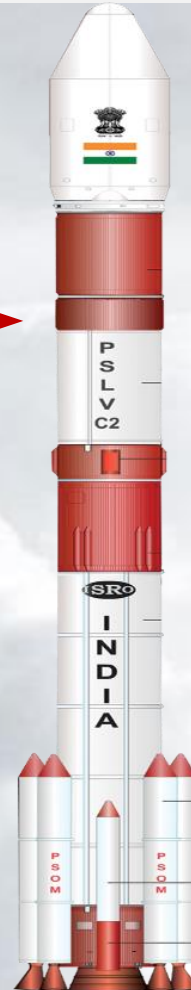


from 1 per quarter to 1 per month

PSOM-XL for ISRO

Main motor – ISRO continues to produce on their own

The company has received a letter from Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for provisional offer of 202 acres of land at Routhurmala village in Chittoor district of Andhra Pradesh for establishing a unit to manufacture Solid Propellant.



**PSOM-XL strap on motors (6)
– ISRO to outsource
production to PEL**
(trial order successfully tested in January 2018)

Emerging Business - Defence & Space

Propellants

Pyrogen igniters

Case-bonded propellants

Free standing grains

Fuel rich

Gas generators

Strap-on motors for satellite launchers

Air Target Imitator

Pyros

Pyro cartridges

Pyro actuators

Smoke / flash generators

IR generators

Specialized squibs

Explosives

CL - 20

HNS - IV

Explosive bolts

BKNO₃ Igniters

Counter-measures

Chaffs

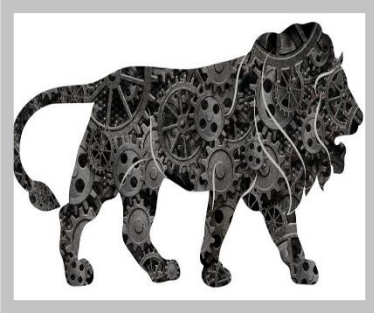
Flares



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.

Strategic Partnership Policy and Defence Procurement Organisation formulated in May 2017 are expected to create a large defence eco system in the coming years.



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



Started manufacture of Chaffs to Air force and supplied first order in April 2017



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



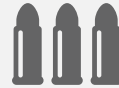
Acquired 250 acres land for new defence projects



Developed Air Target Imitator, which is expected to be given IDDM recognition



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



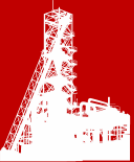
Who we are

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

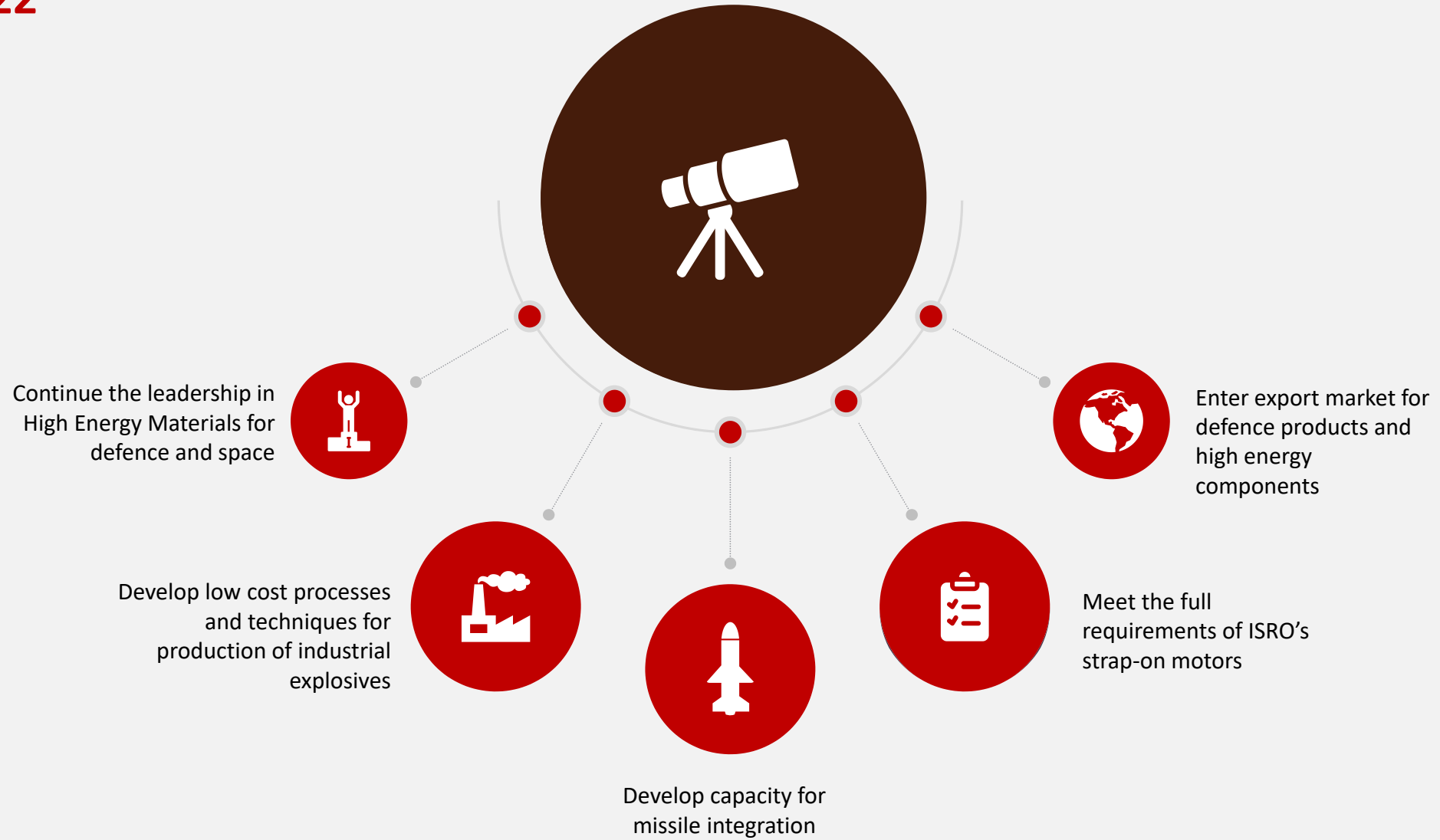
Defence, Mining and infrastructure sectors



People

Highly trained manpower in handling high energy chemicals

Vision - 2022



Strengths

In-house Development

- **Pyrogen Igniters** for Strategic missiles
Non Aluminium composition for **Astra**
(Air to Air Missile)
- **LRSAM** composition without combustion Instability
- **Sledge rocket** motors

Production under ToT

- **Akash** booster / sustainer grains
- **LRSAM** motors
- **MRSAM** motors
- **ARM** motors
- **Sledge rocket** motors
- **Pyrogen igniters** for ANSP
- Daisy II motor for **Agni**
- **Pinaka** rockets – Mark I and II
- **Astra** motor

Projects for Indian Air Force

On going

- Chaffs and flares
- Air target imitator (*for Air Defence, Indian Army*)

Under development

- 70mm Rockets
- Air Glide Bombs
- Re- graining of existing Missiles
- Indigenization of Power cartridges
- Canopy severance system

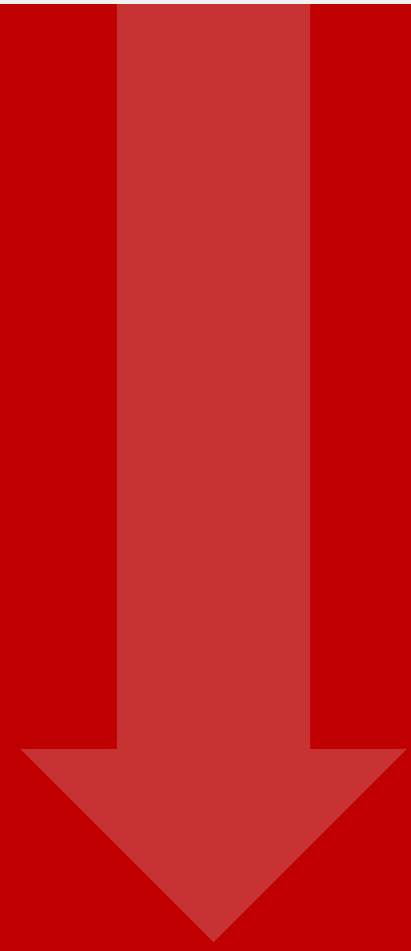
Missile value chain



Forward integration

- Solid propellant
- Rocket motor hardware
- Thermal insulation
- War-heads
- Hot integration

Backward integration

- Ammonium Perchlorate
 - HTPB
 - RDX / HMX
 - CL20
 - Single base, Double base, Triple base propellants
- 

Counter-measures

Ammunition

Chaffs and flares



No supplies for the last few years



Naval and Army requirements can be huge



International market also can be addressed



Tie up with international OEMs for technology



Outsource hardware and fuses from Indian vendors



Cater to Indian defence forces and select international markets

Technocrats at the helm



Dr. A. N. Gupta

Chairman & Managing Director

- Masters in mining engineering
- R&D oriented
- Highly skilled in Product development and Project execution
- Strategic vision for defence business
- Recipient of "Pickering and ISM Medal" from, Indian School of Mines, Dhanbad
- Gold Medallist from Mining Geological and Metallurgical Institute of India
- Member of Society of Explosives Engineers, USA
- Recipient of Asia Pacific Entrepreneurship Award 2015 in the Outstanding Category
- Author of various articles about high energy materials
- Presented his paper 'A Safer and Green Detonator with NHN Substituting ASA' at the 40th Annual Conference on Explosives & Blasting Technique held in USA
- Conferred Doctor of Science by Gulbarga University in recognition of his distinguished contributions to the field of science and technology
- Awarded HEMSI Honorary Fellowship 2016 by High Energy Materials Society of India



Mr. T. V. Chowdary

Dy. Managing Director

- Chemical engineer
- 35+ years of experience in chemistry and production of explosives, detonators, petrochemicals, etc
- Spearheading defence products of the company including solid propellants for missile and satellite launch vehicles
- Project execution as his forte,
- Excellent in HR management
- Steadfast trouble-shooter.

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





Pyrogen igniters / grains

**HP DAISY-2 (Agni)
being shifted to Curing**



**Astra Motor cast with
Smoke-less Propellant**

**Non-explosive Propellant Cast
Air Booster For K-15**



Premier Air Target Imitator



**Indigenously
Designed
Developed and
Manufactured
(IDDM)
for Air Defence,
Indian Army
(under trials)**



**Premier
Explosives
Limited**



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. R. Boricha Marg,
Lower Parel (E), Mumbai - 400 013.

Rahul Rajagopalan

rahul@s-ancial.com

022 6536 1001

Thank You