

PRAKASH INDUSTRIES LIMITED

People... Prosperity... Progress...

INVESTOR PRESENTATION | JANUARY 2019

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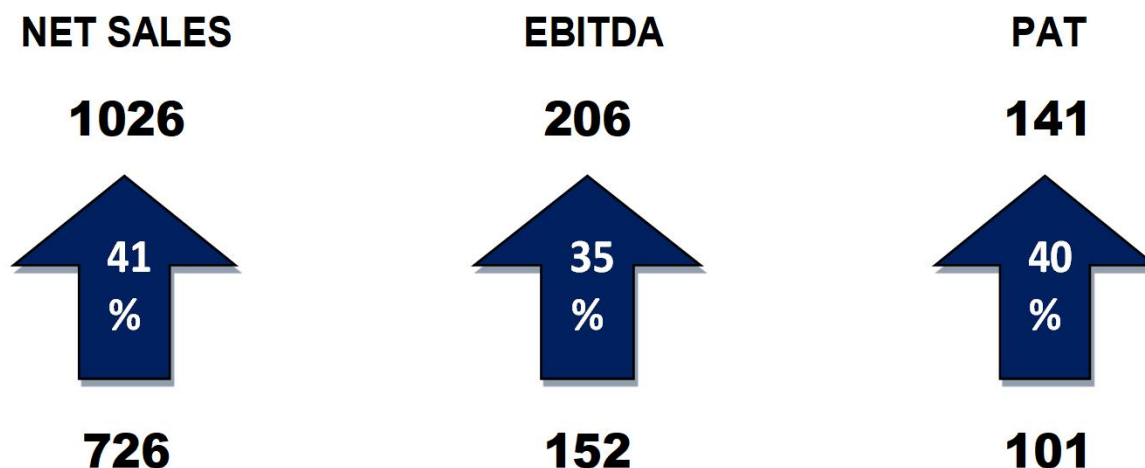
CORPORATE
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QUARTERLY & NINE MONTHS FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS – Q3FY2019



Q3FY2019 vs Q3FY2018 (Rs. in Crores)

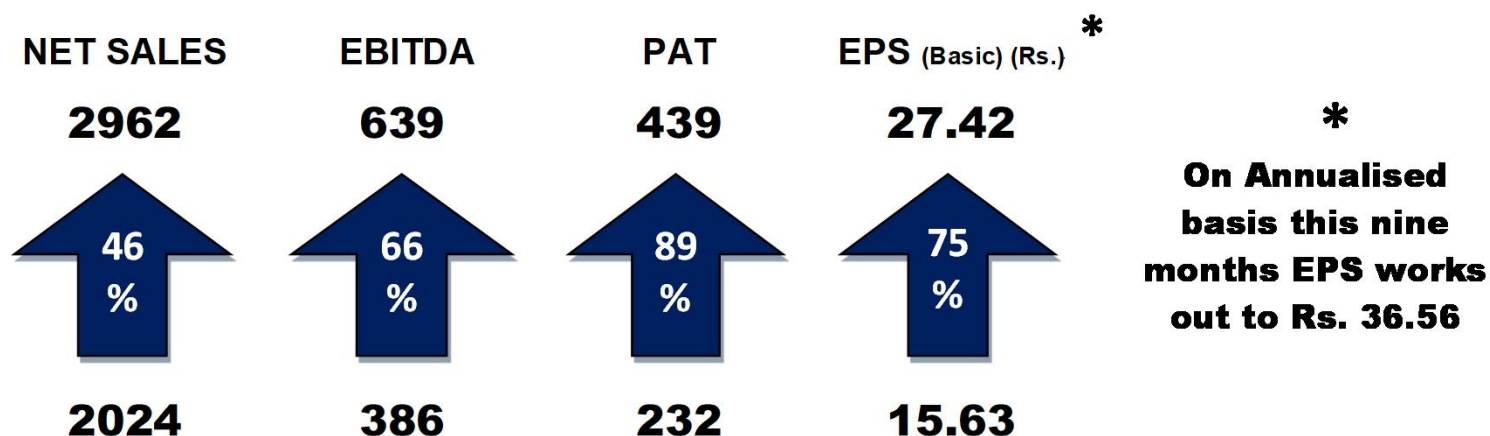


*During Q3FY2019, the Company has achieved Net Sales of Rs.1026 Crores and EBITDA of Rs.206 Crores, reflecting growth of 41% and 35% respectively over the corresponding quarter of the last financial year. After providing for interest, depreciation and tax, the Net Profit of the Company for Q3FY2019 has grown by 40% to Rs.141 Crores as against Rs.101 Crores in Q3FY2018. **The increase in the profitability is due to higher production volumes and operational efficiencies.***

FINANCIAL HIGHLIGHTS – FY2019 (9 MONTHS)



DECEMBER 2018 vs DECEMBER 2017 (Rs. in Crores)



During nine months ended December 2018, the Company has achieved Net Sales of Rs.2962 Crores and EBITDA of Rs.639 Crores, reflecting growth of 46% and 66% respectively over the corresponding period of the last financial year. After providing for interest, depreciation and tax, the Net Profit of the Company for nine months ended December 2018 has jumped by 89% to Rs.439 Crores as against Rs.232 Crores in the corresponding period of the last financial year.

PROFITABILITY HIGHLIGHTS - YEARLY



INR in Cr	FY16	FY17	FY18	CAGR
Revenues	2,053	2,174	2,935	
Other Income	5	3	15	
Total Income	2,058	2,177	2,950	19.7%
<i>growth %</i>		<i>6%</i>	<i>35%</i>	
Raw Material	1,460	1,482	1,847	
Employee Expenses	144	155	196	
Other Operating Expenses	259	275	310	
EBITDA	195	265	596	75.0%
<i>EBITDA Margin (%)</i>	<i>9%</i>	<i>12%</i>	<i>20%</i>	
<i>growth %</i>		<i>36%</i>	<i>125%</i>	
Depreciation	102	103	121	
Interest	69	73	87	
Profit Before Tax	23	88	388	
Income Tax	0	7	2	
Other Comprehensive Income	3	3	2	
PAT	20	78	384	338.5%
<i>PAT Margin (%)</i>	<i>1%</i>	<i>4%</i>	<i>13%</i>	
<i>growth %</i>		<i>292%</i>	<i>392%</i>	

KEY UPDATES

KEY UPDATES



❖ More than 40% Growth in Net Sales

- Quarterly Net Sales crossed more than INR1000 crores for the first time ever, registering growth of 41% against Q3FY18
- Quarterly sales volume of ~2.57 lac tonnes in Q3FY19 registering growth of 22% against Q3FY18

The above performance was backed by higher capacity utilisation and operational efficiencies on account of modernisation and enhancement initiatives undertaken by the Company

❖ Captive Iron ore Mining

- ***Received Stage I approval*** for diversion of Revenue Forest Land for **Sirkaguttu Mine, Odisha**
- ***Extraction*** from the mine expected to commence in the current quarter

❖ Expansion in Sponge Iron and Power co-generation capacity

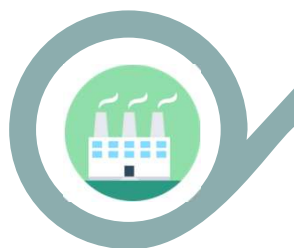
- ***Commissioning of 6th Sponge Iron Rotary Kiln*** with capacity of **0.2 mn TPA** alongwith **15 MW power co-generation** likely to be completed in the current quarter

❖ PVC Pipe Division

- Sales volume registered growth of 12% during the nine months ended December, 2018
- In the hearing held on 10th January, 2019 before the Hon'ble NCLT, Chandigarh on the Demerger scheme of PVC Pipe undertaking, the order has been reserved and will be pronounced in a few days. The Company expects the demerger to be effective shortly

COMPANY AT GLANCE

COMPANY OVERVIEW



One of the
Largest
**Integrated
Steel
Manufacturers**
in India



Strategically
located plants in
Chhattisgarh,
one of the major
Coal and Iron
Ore belts



**Captive Iron
Ore Mines** in
Odisha &
Chhattisgarh;
Step towards
Backward
integration

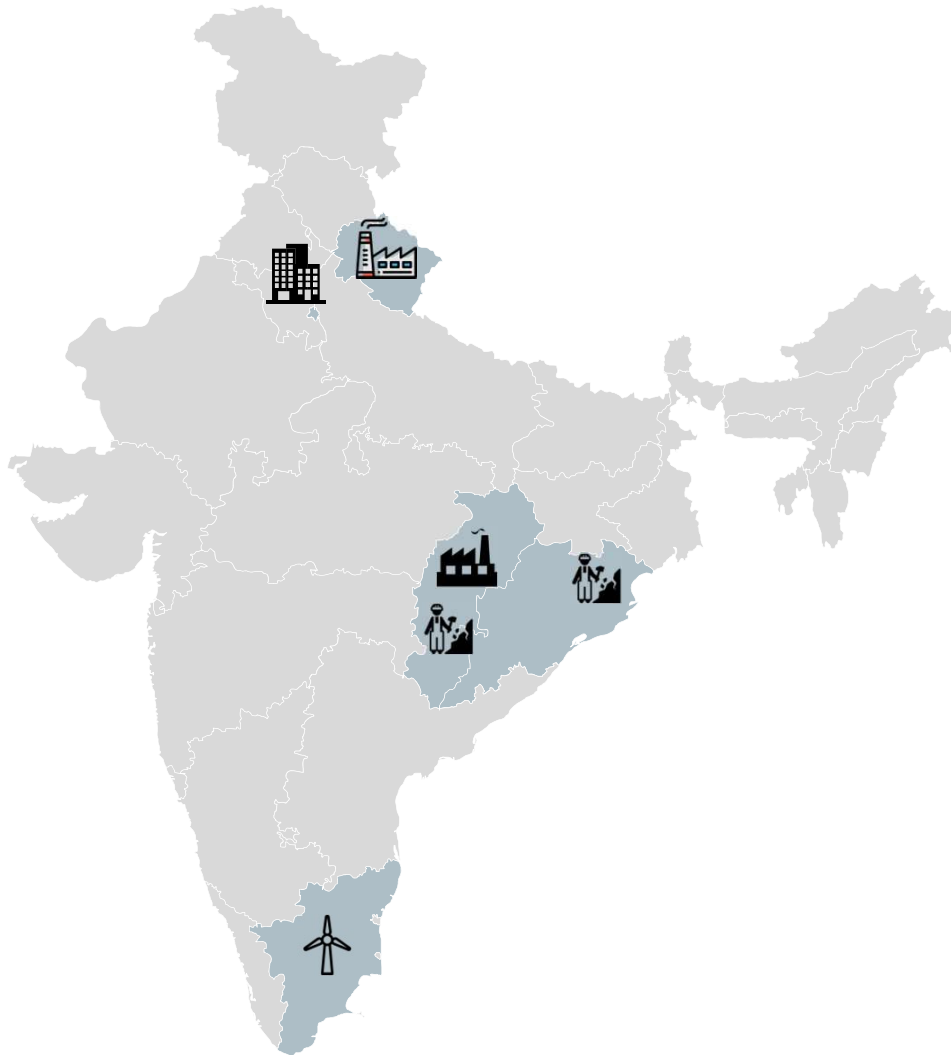


**230MW Captive
Power Plant** in
operation
-WHRB (65 MW)
-Thermal (165 MW)



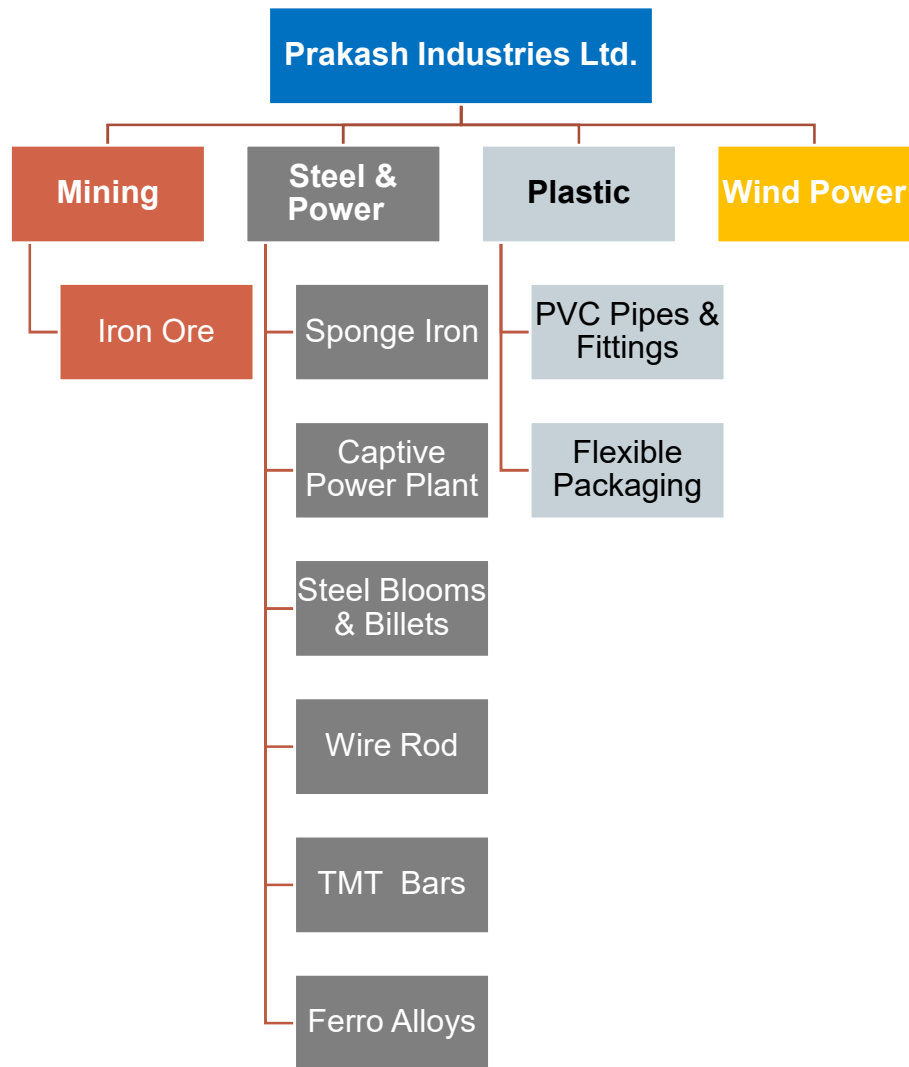
PVC Pipes &
Fittings- **Strong
brand presence**
in North India
Ventured into
**Flexible
Packaging**

OUR FOOTPRINTS

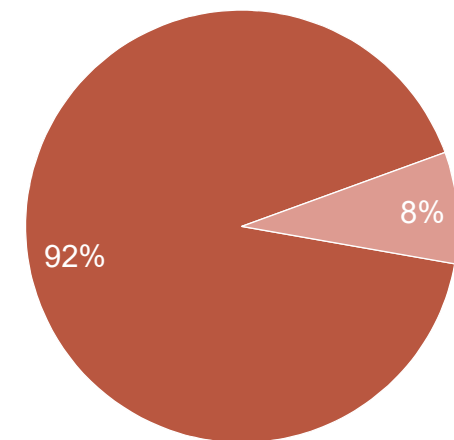


	Corporate Office, New Delhi
	1 Mn Tonne Steel Manufacturing Capacity
	55,000 Tonne PVC Pipes Manufacturing Capacity & 5,400 Tonne Flexible Packaging Capacity
	Allotted Kawardha iron ore mine in Chhattisgarh, operational by FY20
	Sirkaguttu Iron Ore Mine in Odisha, operational in Q4FY19
	Windmill , Tamil Nadu

DIVERSIFIED BUSINESS SEGMENTS



Revenue Break-up Q3FY19



- Steel & Power
- PVC Pipes & Fittings

INTEGRATED STEEL BUSINESS



01



Integrated Steel Plant at Chhattisgarh

02



Produces steel through coal based **Sponge Iron Route**;
Technical collaboration with Lugri GmbH, Germany

03



Secured Supply of Key Raw material – (i) Iron Ore - mines allotted in the state of Chhattisgarh & Odisha
(ii) Coal through long term linkage from Coal India

Product	Location	Existing Capacity
Sponge Iron	Champa, Chhattisgarh	1.0 Mn Tons
Steel Billets	Champa, Chhattisgarh	1.1 Mn Tons
Ferro Alloys	Champa, Chhattisgarh	0.13 Mn Tons
Finished Steel (<i>Wire Rods, TMT Bars, Structural</i>)	Raipur, Chhattisgarh	1.1 Mn Tons

STEEL – PRODUCT PORTFOLIO



Wire Rods



HB Wire



Structural Steel



TMT Bars

POWER BUSINESS



Operating **230 MW captive power** at its Integrated Steel Plant



Power generated partly by **harnessing waste gases** emanating from Sponge Iron process and partly through **Thermal route**



Out of the **total 230 MW** – **65 MW through Power Co generation** and **165 MW through Thermal route**

KEY GROWTH DRIVERS



Captive Iron Ore Mines

Allotted two captive iron ore mines in the states of Odisha and Chhattisgarh for its steel operations. The Odisha Mine is expected to be operational in the current quarter

Coal Linkages In Place

Secured 1.56 MTPA Long Term Coal Linkages for Sponge Iron and captive Power plant operations

Enhancing Sponge Iron And Power Capacity

Completing 0.2 MTPA Sponge Iron Rotary kiln along with 15 MW Power Co-Generation by the end of current quarter

Modernisation Of Steel Melting Shop

Installing Energy Efficient Furnaces in Steel Melting Shop Division to replace existing furnaces

STEEL SCENARIO



National Steel Policy 2017

- Build a globally competitive industry with a crude steel capacity of **300 MT by 2030-31**
- Increase per Capita Steel Consumption to **160 Kg by 2030-31** from 61 kg currently
- **Domestically meet entire demand** of high grade automotive steel, electrical steel, special steels and alloys for strategic applications by 2030-31
- **Become net exporter** of steel by 2025-26
- **World leader** on energy and raw material efficient steel production by 2030-31
- Develop and implement **quality standards** for domestic steel products
- Development of **power evacuation** infrastructure

Focus on Affordable Housing & Infrastructure

- Emphasis on **Housing for All by 2022** by the Government
- Aim to build **50 million** new low-cost houses over the next **5 years**
- **Incentivizing Affordable Housing** by increasing project completion timeline to 5 years from 3 years
- **Interest subsidy & Tax** incentives for the Affordable housing Projects
- **Governments push for infrastructure development**
 - Railways
 - Defence
 - Roadways
 - Inland Waterways
 - Metros
 - Ports
 - Airports

PVC PIPES BUSINESS – DEMERGED ENTITY



Plant Strategically located in Uttarakhand; with current capacity of **55,000 MTPA**



Strong Brand presence in the states of UP, Uttarakhand, Delhi, Haryana & Punjab



Enhanced product portfolio with PVC fittings and Garden Pipes

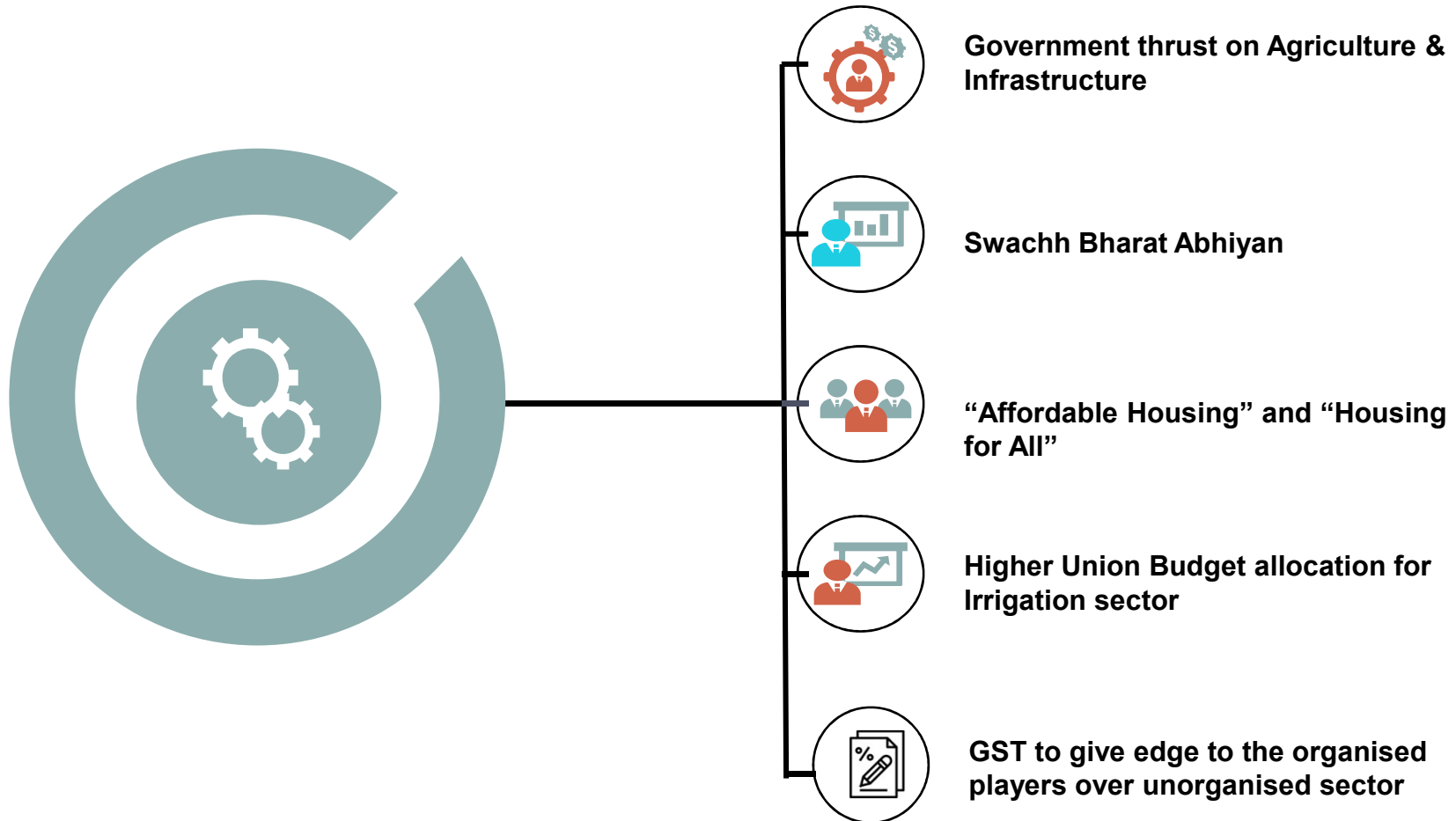


Ventured into Flexible Plastic Packaging business at Kashipur

PVC PIPES – PRODUCT PORTFOLIO



KEY GROWTH DRIVERS – PVC BUSINESS



CAPACITY EXPANSION



Product	Location	Existing Capacity	Future Capacity	Total Capacity	Time Line
Integrated Steel					
Finished Steel	Raipur, Chhattisgarh	1.1 Mn Tons	-	1.1 Mn Tons	-
Sponge Iron	Champa, Chhattisgarh	1.0 Mn Tons	0.20 Mn Tons	1.2 Mn Tons	March, 2019
Steel Billets	Champa, Chhattisgarh	1.1 Mn Tons	-	1.1 Mn Tons	-
Ferro Alloys	Champa, Chhattisgarh	0.13 Mn Tons	-	0.13 Mn Tons	-
Power	Champa, Chhattisgarh	230 MW	15 MW	245 MW	March, 2019
PVC Pipes	Kashipur, Uttarakhand	55,000 Tons	10,000 Tons	65,000 Tons	March, 2020
Flexible Packaging	Kashipur, Uttarakhand	5,400 Tons	-	5,400 Tons	-

CORPORATE SOCIAL RESPONSIBILITY

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Corporate Social Responsibility (CSR) has been integral part of the Company's business since inception. Following are the broad areas of the initiatives:

- Providing safe drinking water facilities
- Conducting training programs for promotion of vocational skills & environmental sustainability
- Promoting health care programs
- Maintaining sports & recreational facilities
- Generating employment opportunities for local people

CSR Projects	Area
Drinking Water Facility	Champa, Chhatisgarh Raipur, Chhatisgarh
Training Programme & Promotion of Education	Champa, Chhatisgarh Mathura, Uttar Pradesh
Health Care	Champa, Chhatisgarh
Environment Awareness	Champa, Chhatisgarh Raipur, Chhatisgarh
Social Causes	Champa, Chhatisgarh Raipur, Chhatisgarh
Poverty	Delhi, NCR

... BETTERMENT OF THE COMMUNITY



"Mission 500" – Baal Sanskar Kendras



Clean & Safe Water



Preliminary Medicare Centre's



Renovation of Public Places



Education



Wasteland Reclamation & Plantation



Thank You

For more information:

Visit www.prakash.com

or write to investorshelpline@prakash.com