

PRAKASH INDUSTRIES LIMITED

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

INVESTOR PRESENTATION | MAY 2019

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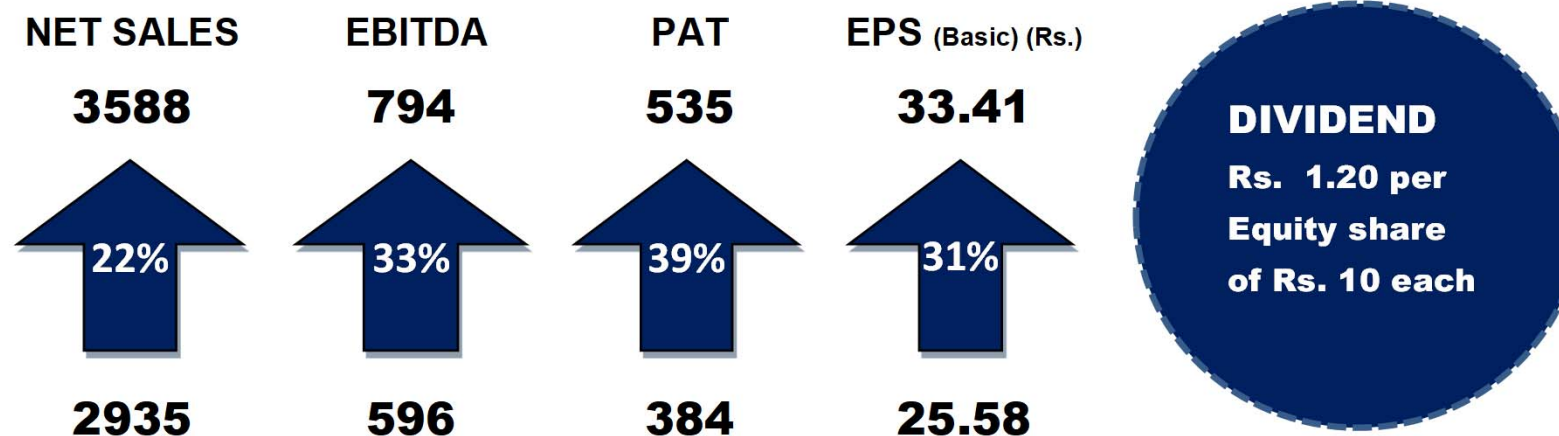
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FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS – FY2019



FY2019 vs FY2018 (Rs. in Crores)



During FY2019, the Company has achieved Net Sales of Rs. 3588 Crores and EBITDA of Rs. 794 Crores, reflecting growth of 22% and 33% respectively over the last financial year. After providing for interest, depreciation and tax, the Net Profit of the Company for FY2019 has increased by 39% to Rs. 535 Crores as against Rs. 384 Crores in last financial year. The increase in the profitability is due to **higher capacity utilisation, operational efficiencies and better sales realisation**. Keeping in view the strong financial results for FY2019, the Board of Directors of the Company have **recommended dividend of Rs. 1.20 per Equity Share of Rs. 10 each**.

During Q4FY2019, the Company has achieved Net Sales of Rs. 885 Crores and EBITDA of Rs. 185 Crores. After providing for interest, depreciation and tax, the Net Profit of the Company for Q4FY2019 was Rs. 124 Crores.

Note: In view of the Demerger of PVC Pipes undertaking with effect from 1st April, 2018(the appointed date), the figures of FY2019 and Q4FY2019 are exclusive of figures of PVC Pipes undertaking and the figures of FY2018 are inclusive of figures of PVC Pipes undertaking. Hence these figures are not comparable.

PROFITABILITY HIGHLIGHTS



INR in Cr	FY17	FY18	FY19	CAGR
Revenues	2,174	2,935	3588	
Other Income	3	15	7	
Total Income	2,177	2,950	3,595	29%
<i>growth %</i>	<i>6%</i>	<i>35%</i>	<i>22%</i>	
Raw Material	1,482	1,847	2,128	
Employee Expenses	155	196	212	
Other Operating Expenses	275	310	461	
EBITDA	265	596	794	73%
<i>EBITDA Margin (%)</i>	<i>12%</i>	<i>20%</i>	<i>22%</i>	
<i>growth %</i>	<i>36%</i>	<i>125%</i>	<i>33%</i>	
Depreciation	103	121	134	
Interest	73	87	101	
Profit Before Tax	88	388	559	
Exceptional Item	-	-	7	
Income Tax	7	2	13	
Other Comprehensive Income	3	2	4	
PAT	78	384	535	162%
<i>PAT Margin (%)</i>	<i>4%</i>	<i>13%</i>	<i>15%</i>	
<i>growth %</i>	<i>292%</i>	<i>392%</i>	<i>39%</i>	

BALANCE SHEET HIGHLIGHTS



INR Crore	Mar-19	Mar-18
Shareholder's Funds	2854	2,736
Share Capital	163	157
Other Equity	2690	2,579
Non-current liabilities	474	635
Long-Term Borrowings	435	601
Long-Term Provisions	39	34
Current liabilities	613	522
Short-Term Borrowings	151	115
Trade Payables	148	141
Other Financial Liabilities	146	158
Short-Term Provisions	19	16
Other Current Liabilities	109	38
Current tax Liability	39	54
Total Equities & Liabilities	3941	3,893

INR Crore	Mar-19	Mar-18
Non-Current Assets	3330	3,363
Fixed Assets	3068	3,067
Other Non Current Assets	137	136
Deferred Tax Assets	125	160
Current Assets	611	529
Other Financial Assets	55	42
Inventories	233	251
Trade Receivables	150	99
Cash & Cash equivalents	16	23
Bank Balance (other then Cash equivalents)	29	24
Other Current Assets	128	90
Total Assets	3941	3,893

Key Balance Sheet Ratios	Mar-19
Debt to Equity	0.2
Book Value per Equity Share	Rs. 175

KEY UPDATES

KEY UPDATES



❖ Update on Demerger

- **Demerger of PVC Pipes undertaking** into Prakash Pipes Limited (PPL) **effective from 1st April, 2018** (appointed date)
- **Listing application already filed** by PPL to the Stock Exchanges

❖ Highest ever Production and Sales volume

- **Record production of 9.7 lac tonnes** of Steel Billets during FY2019
- **Highest ever sales volume of 9.4 lac tonnes** during FY2019, registering growth of 20% YoY

❖ Modernisation of 4th Rolling Mill

- **Modernized 4th Rolling Mill at Raipur, Chhattisgarh** in Q4FY2019 to produce wire rods
- **Higher Value addition** on steel billets through manufacturing of rolled products

❖ 6th Sponge Iron Kiln with 15MW WHRB

- **6th Sponge Iron Rotary Kiln** having capacity of 2 lac tonnes and **15 MW Waste Heat Power co-generation project complete**
- Commercial production expected from **end of July, 2019**

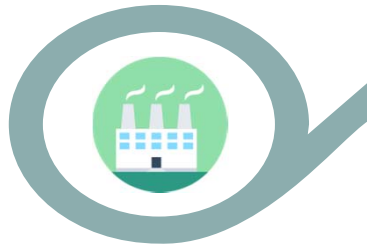
❖ Captive Iron Ore Mine

- Captive Iron Ore Mine, Odisha has now **largely received all statutory approvals**
- Mine to operationalize very soon, which will significantly **reduce procurement cost of iron ore**

The background of the slide is composed of three geometric regions. A teal-colored trapezoid occupies the central portion of the slide. This central shape is bordered by two orange-colored regions: a triangle in the top-left corner and another triangle in the bottom-right corner. The overall effect is a modern, minimalist design with sharp diagonal lines.

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

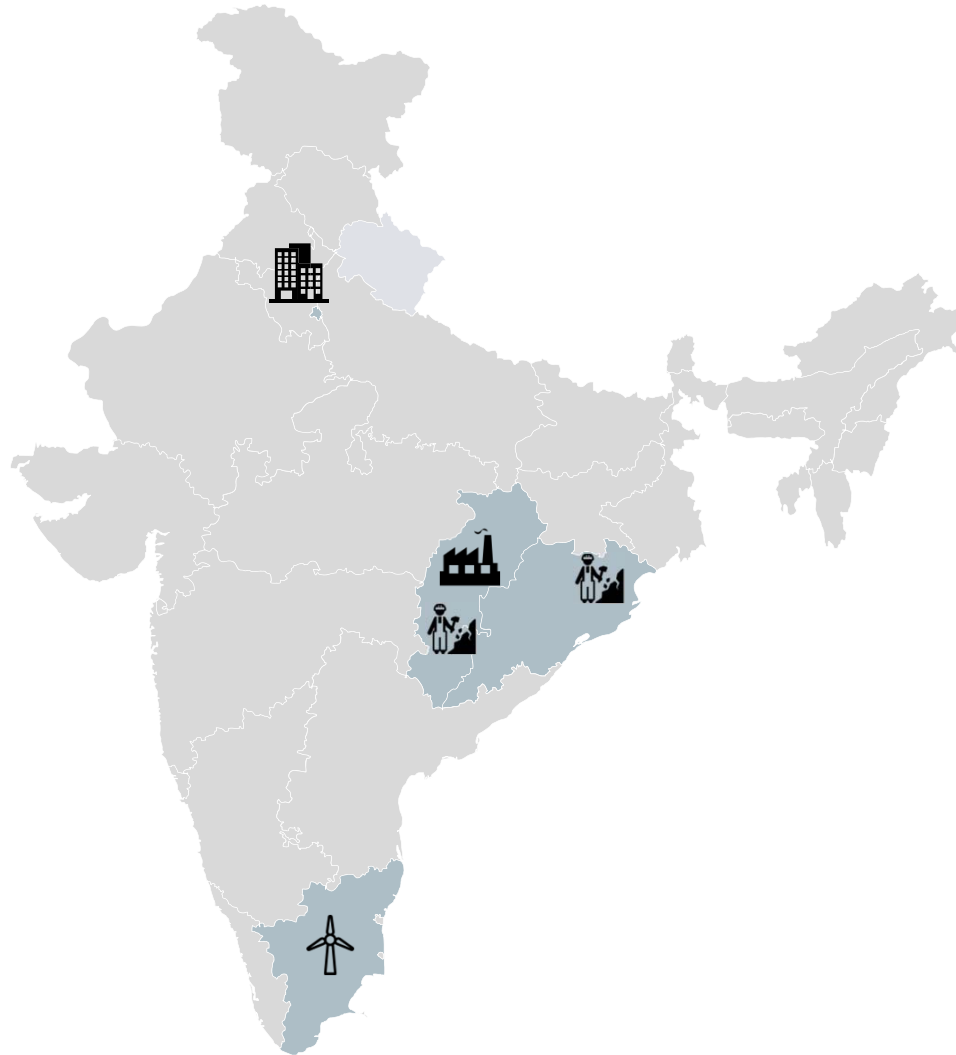


**Captive Iron
Ore Mines** in
Odisha &
Chhattisgarh;
Step towards
Backward
Integration



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

OUR FOOTPRINTS



	Corporate Office, New Delhi
	1 Mn Tonne Steel Manufacturing Capacity
	Kawardha iron ore mine, Chhattisgarh
	Sirkaguttu Iron Ore Mine, Odisha,
	Windmill , Tamil Nadu

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 very soon.

Coal Linkages In Place

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

Additional Sponge Iron And Power Capacity

Completed 0.2 MTPA Sponge Iron Rotary kiln along with 15 MW Power Co-Generation. Commercial production expected by the end of July, 2019

Modernization Of 4th Rolling Mill, Raipur, Chhattisgarh

Modernization of 4th Rolling Mill at Raipur completed in Q4FY19 to produce higher value added products ie. wire rods

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 68 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

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	July, 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	July, 2019

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