



— Since 1983 —

## **Pitti Laminations Limited**

**(BSE: 513519, NSE: PITTILAM)**

### Q4 and FY2017 Earnings Presentation

18 May 2017



# Disclaimer

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pitti Laminations’ future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pitti Laminations undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

## Conference Call Details: Friday, May 19, 2017 at 4:00 PM IST

### Dial-In Numbers

Primary Number +91 22 3960 0625

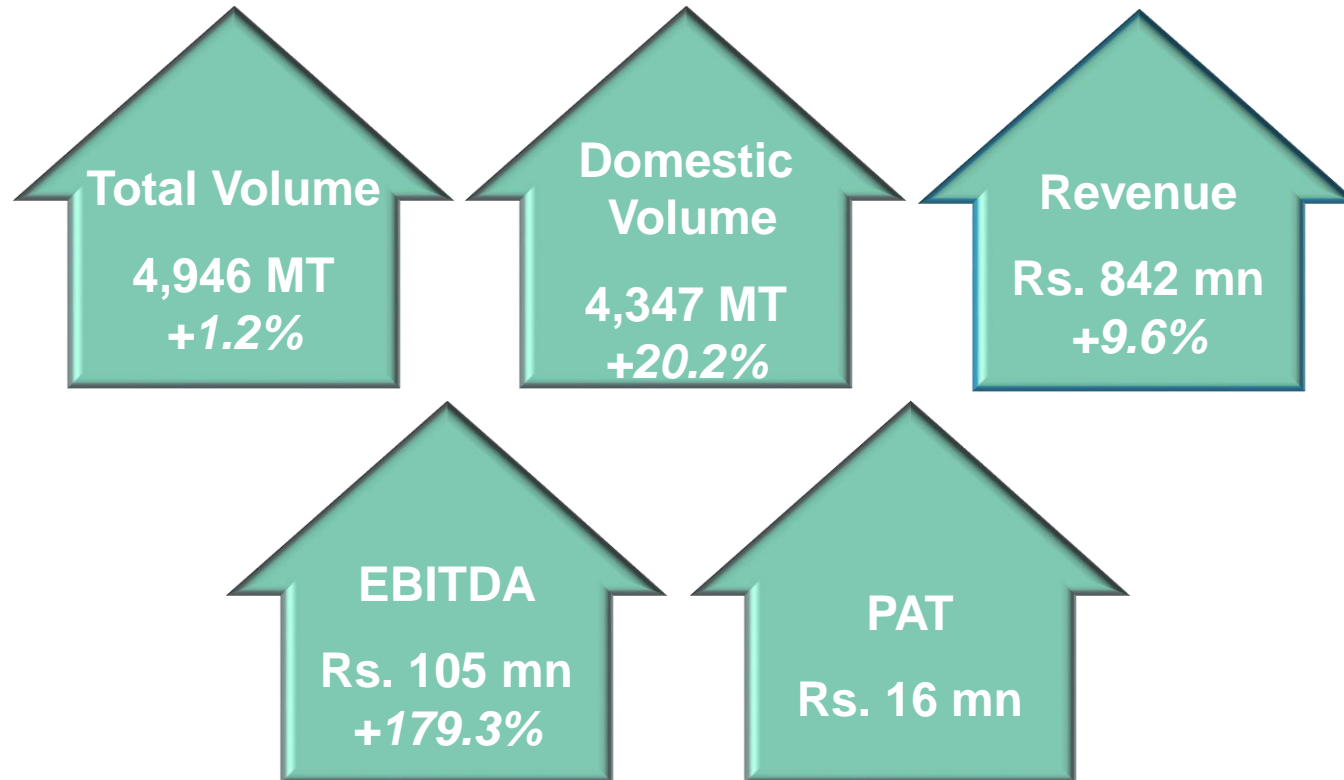
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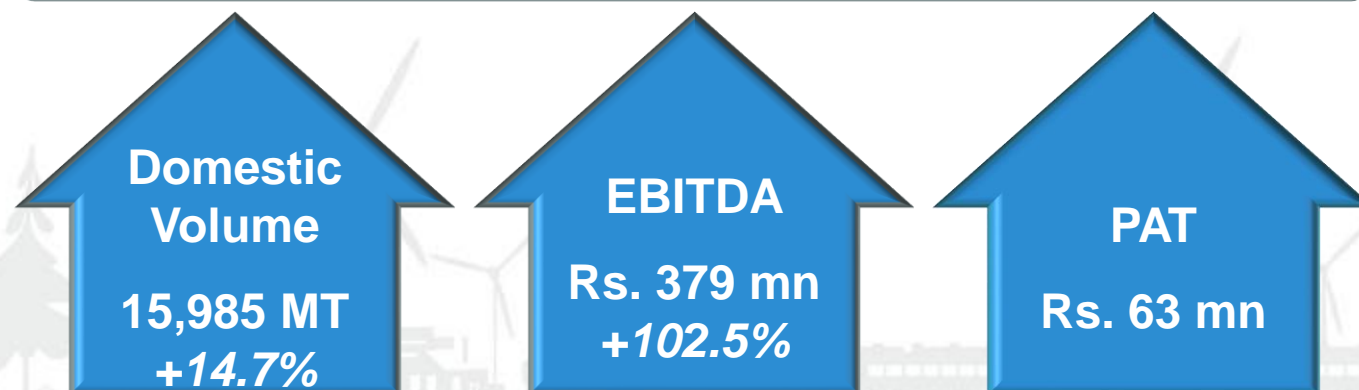
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# Highlights

## Q4 FY2017 vs. Q4 FY2016



## FY2017 vs. FY2016



## Management Commentary

**Mr. Akshay S Pitti**

Vice Chairman and Managing Director



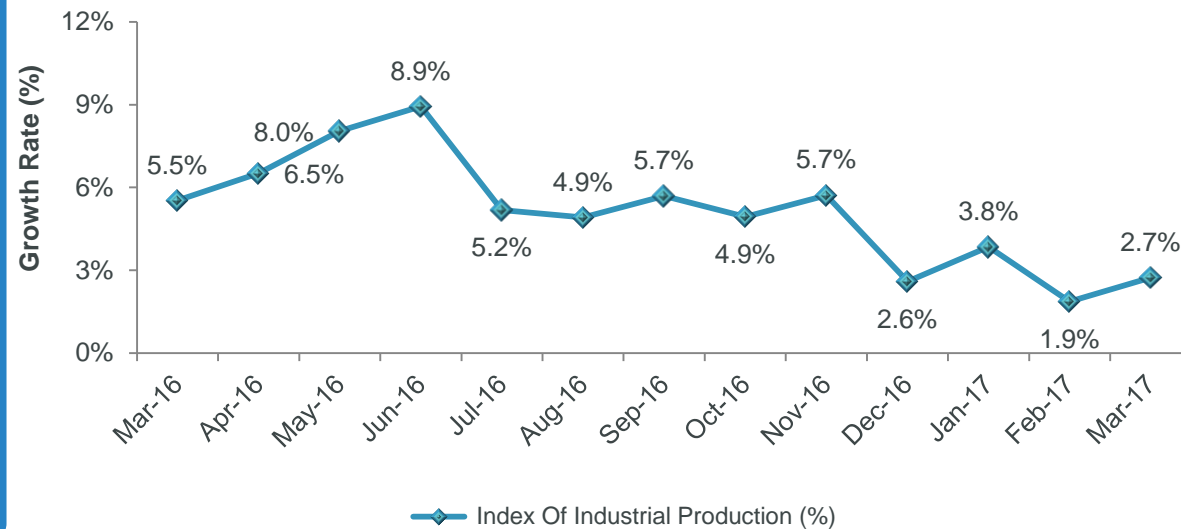
“We are pleased to report a strong topline performance coupled with an improvement in the operational profitability during the quarter. In line with our strategy to increase focus on domestic market, our revenue growth was driven by robust performance of domestic business. Improved margins were supported by combination of factors such as better product mix, improved price realization, reduction in employee cost and significant improvement in operational efficiency.

We are happy to announce that during the quarter we have started commercial delivery to GE India for Indian Railways project, which is one year ahead of scheduled time. Furthermore, other management initiatives such as shifting of Pune facility, expansion of machining capabilities and modernization and technology upgradation are progressing as per schedule. We expect the cumulative effect all these initiatives would drive growth and profitability of the Company in near to medium term.”

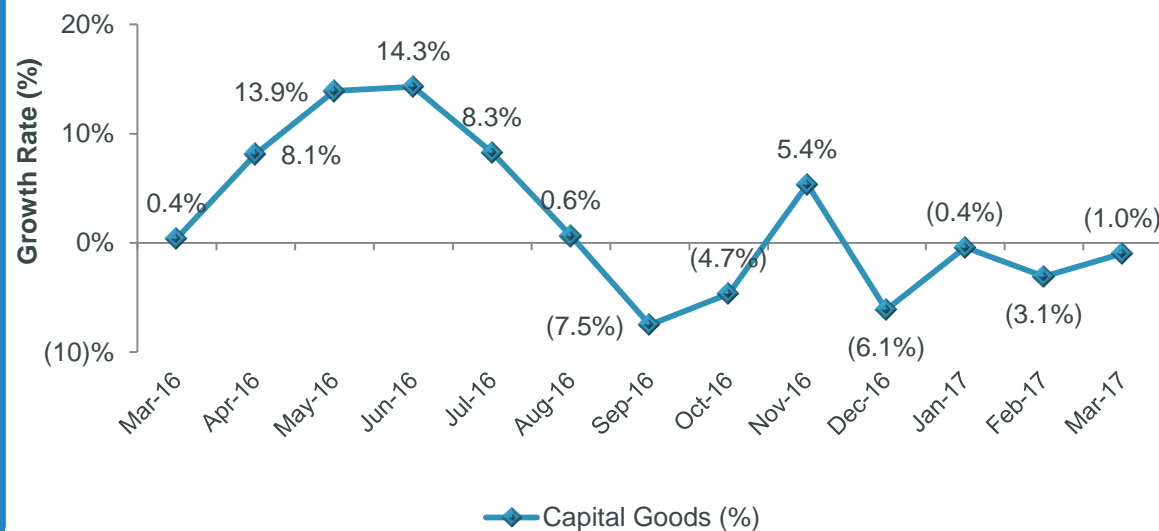
# Economy and Industry Update

## Macroeconomic Indicators

IIP



IIP – Use Based



## Commentary

- Under the new series with a 2011-12 base year, the Index of Industrial Production (IIP) increased 5% in FY2017 and 2.7% in March 2017. The new series of IIP data demonstrates a rebound of industrial output in FY2017
- As per 77<sup>th</sup> round of RBI's industrial outlook survey, outlook ahead for IIP is robust. It is indicated that overall business sentiment is expected to improve in Q1 FY2018 on the back of a pick up in both domestic and external demand

# Financial Summary

(Rs. Million, unless stated)

Particulars	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	Growth (%)	FY2017	FY2016	Growth (%)
Sales Volume (MT)	4,946	4,889	1.2%	5,005	(1.2)%	18,775	19,654	(4.5)%
Net Revenue	842	769	9.6%	769	9.5%	2,859	3,115	(8.2)%
<b>EBITDA<sup>1</sup></b>	105	37	179.3%	97	7.5%	379	187	102.5%
Margin (%)	12.4%	4.9%		12.7%		13.2%	6.0%	
<b>Profit After Tax</b>	16	(43)	nm	19	(16.2)%	63	(96)	nm
Margin (%)	1.9%	nm		2.5%		2.2%	nm	
Basic EPS (Rs.)	0.60	(1.58)	nm	0.71	(16.2)%	2.33	(3.54)	nm

## Performance Discussion (Y-o-Y)

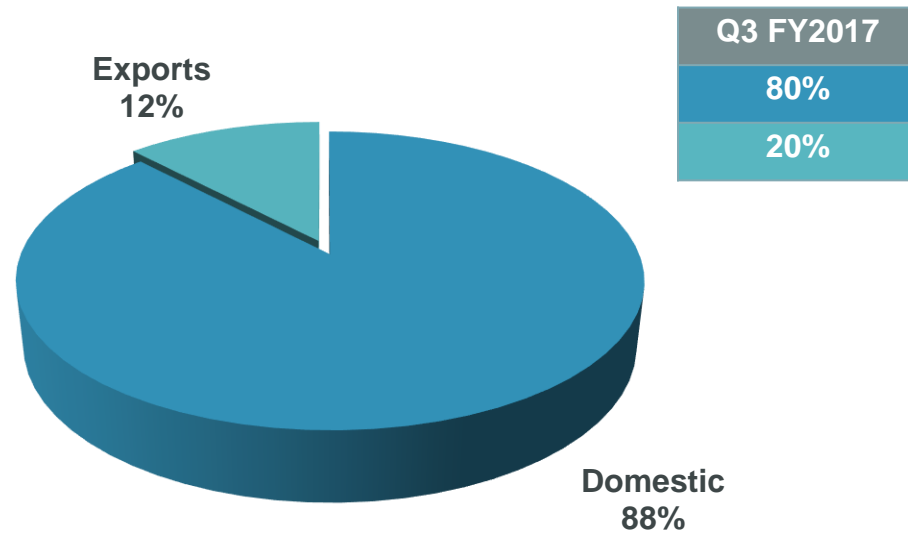
- Revenue growth driven by robust performance of domestic business and start of commercial delivery to GE India for Indian Railways project
- Improvement in profitability for the quarter was driven by:
  - Better product mix resulting in improved price realization of the domestic business
  - Reduction in employee cost
  - Significant improvement in operational efficiency

Note:

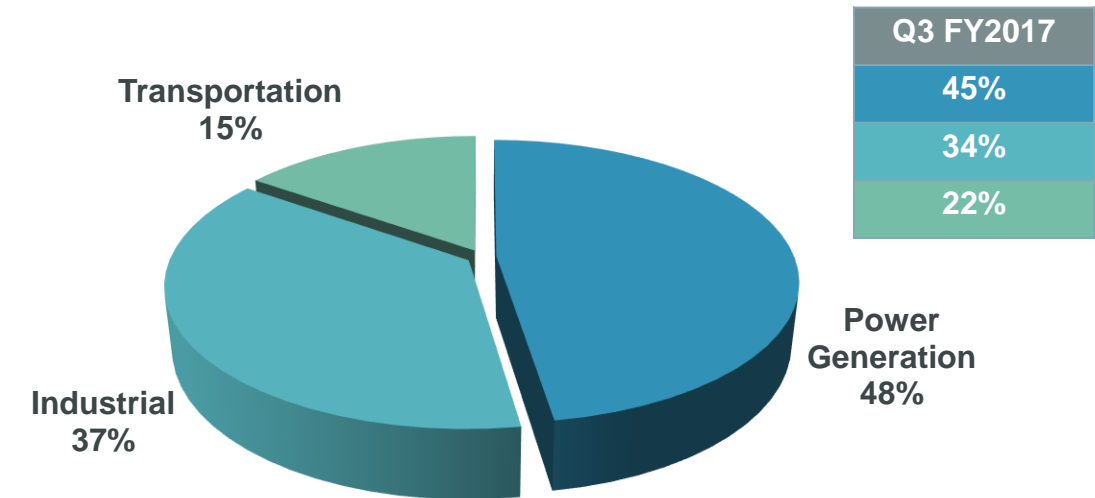
1. EBITDA is Profit from ordinary activities before finance cost, depreciation and exceptional items

# Operational Performance – Q4 FY2017

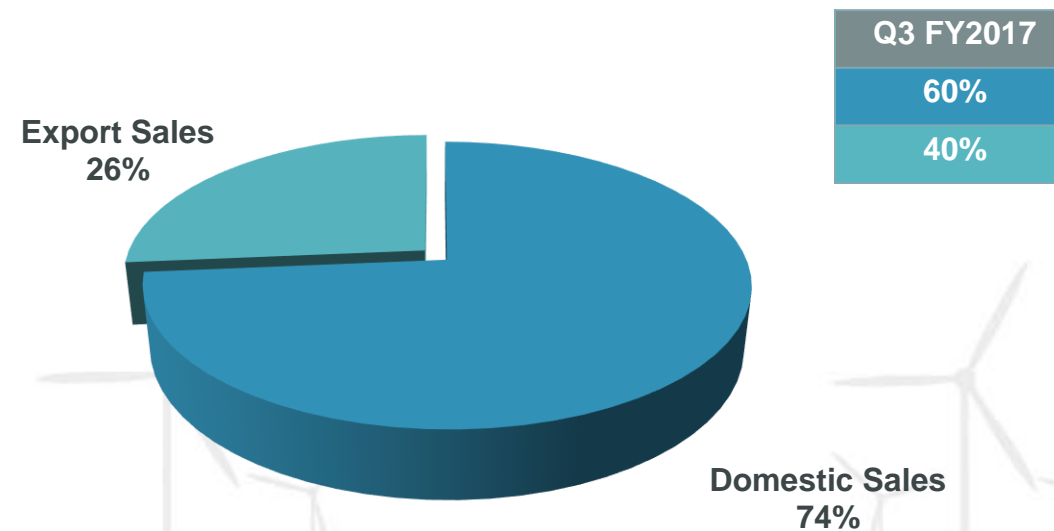
Q4 FY2017 Volume Break-up (4,946 MT)



Q4 FY2017 Volume by End Market (4,946 MT)

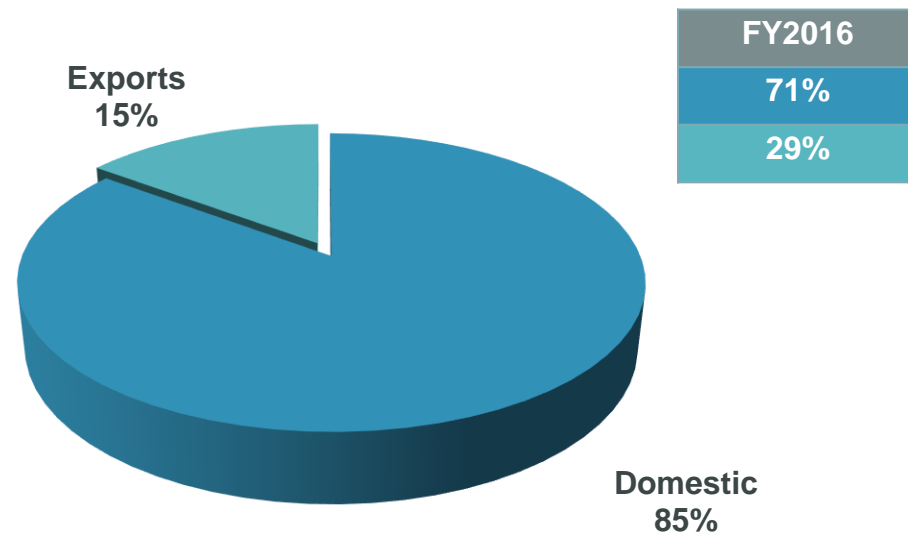


Q4 FY2017 Revenue Break-up (Rs. 842 mn)

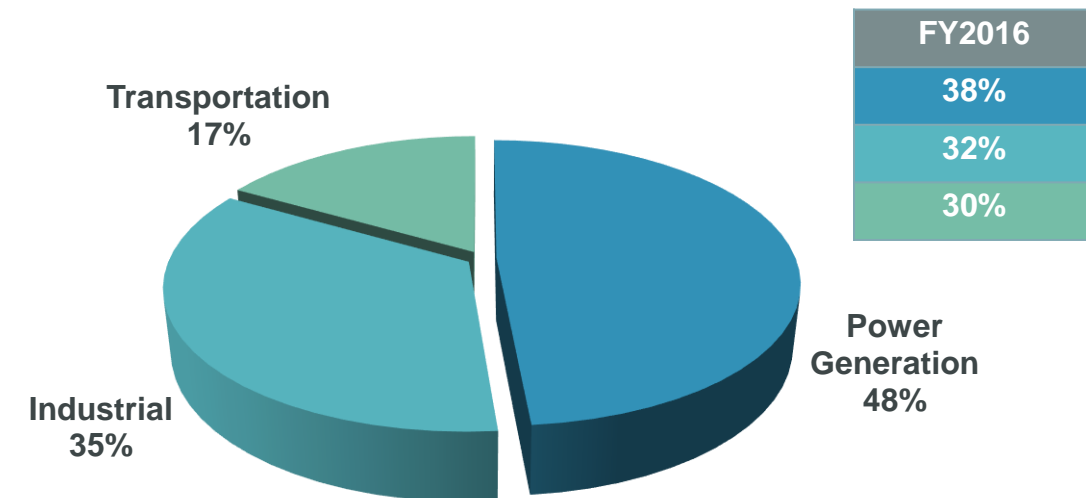


# Operational Performance – FY2017

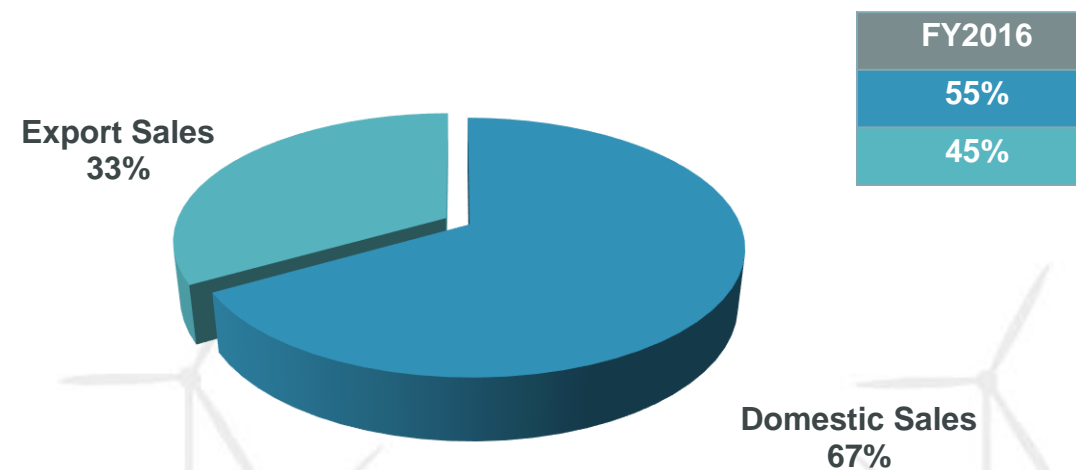
**FY2017 Volume Break-up (18,775 MT)**



**FY2017 Volume by End Market (18,775 MT)**

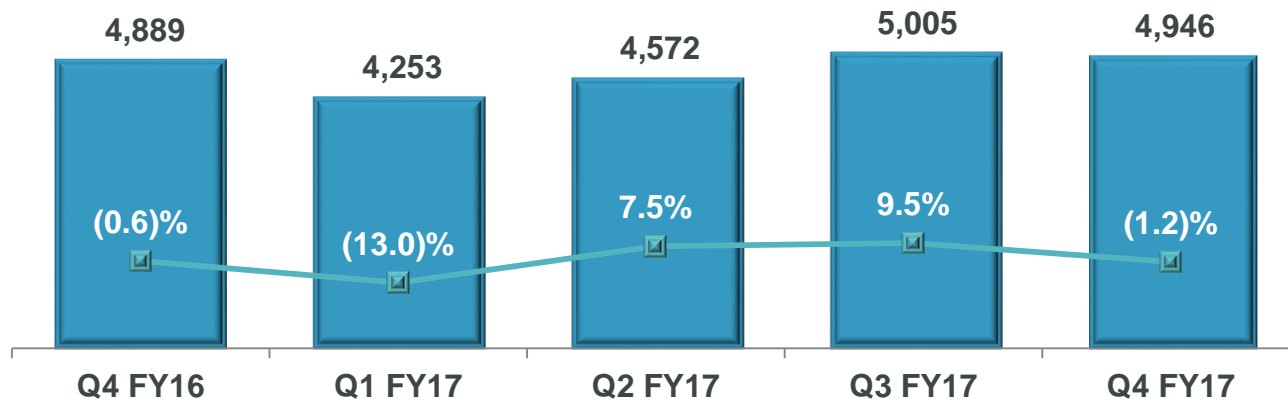


**FY2017 Revenue Break-up (Rs. 2,859 mn)**

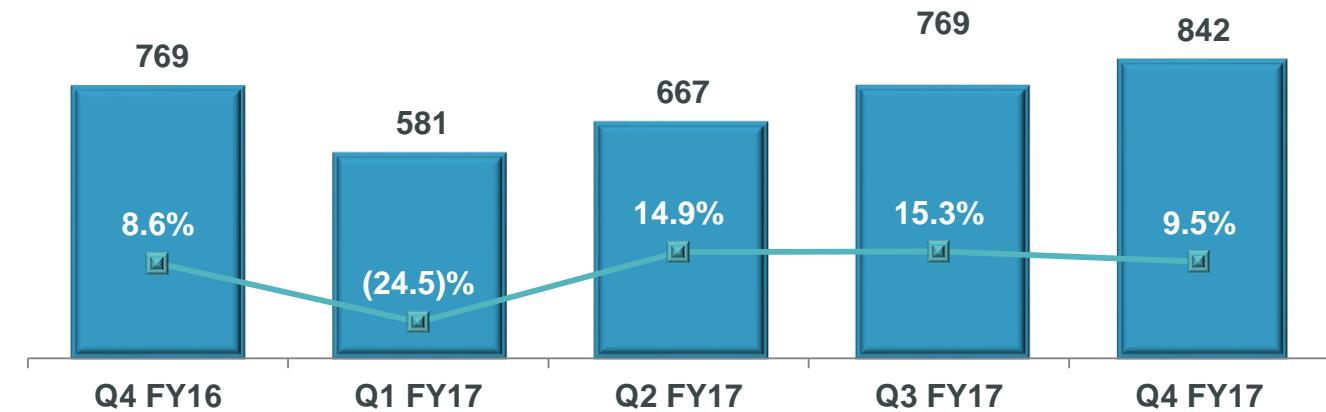


# Financial Performance Trend

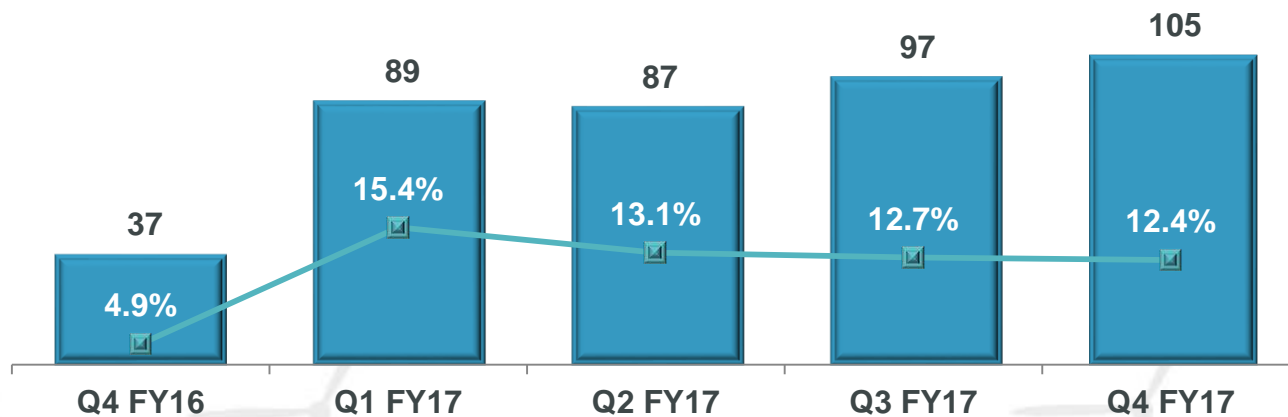
## Total Volumes (MT)



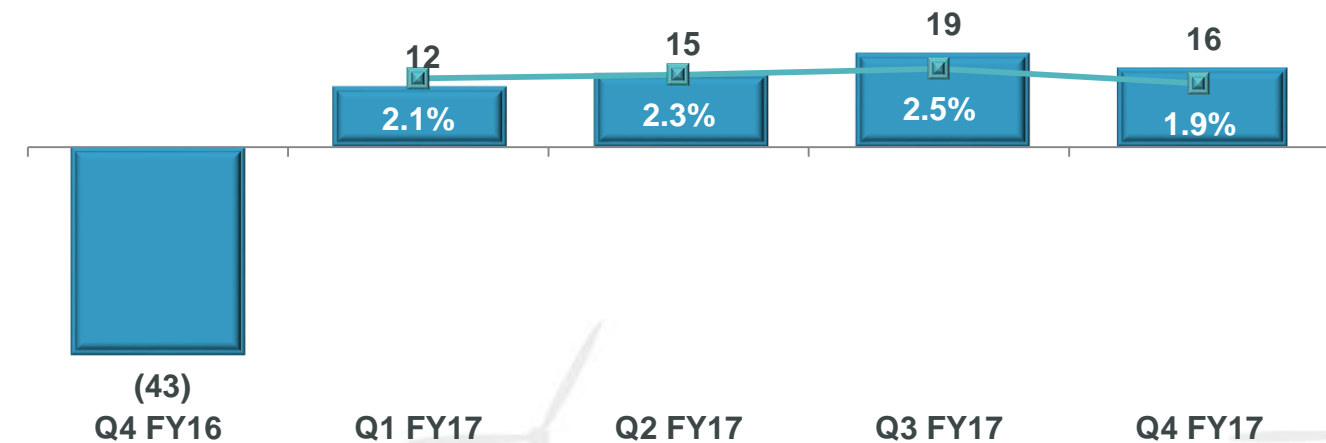
## Revenue (Rs. Mn)



## EBITDA (Rs. Mn)



## PAT (Rs. Mn)



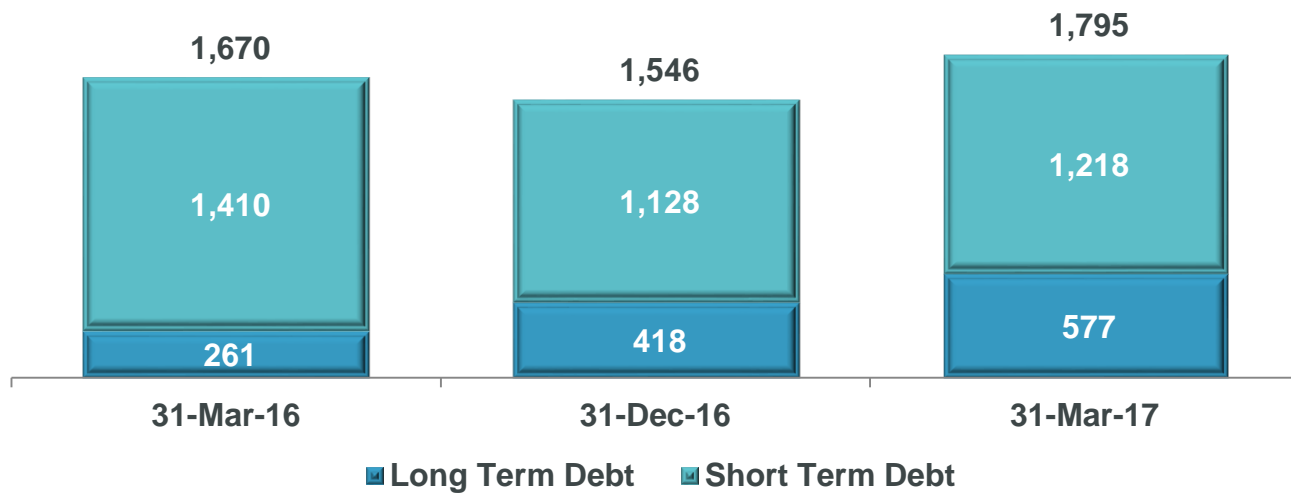
Note:

1. EBITDA is Profit from ordinary activities before finance cost, depreciation and exceptional items

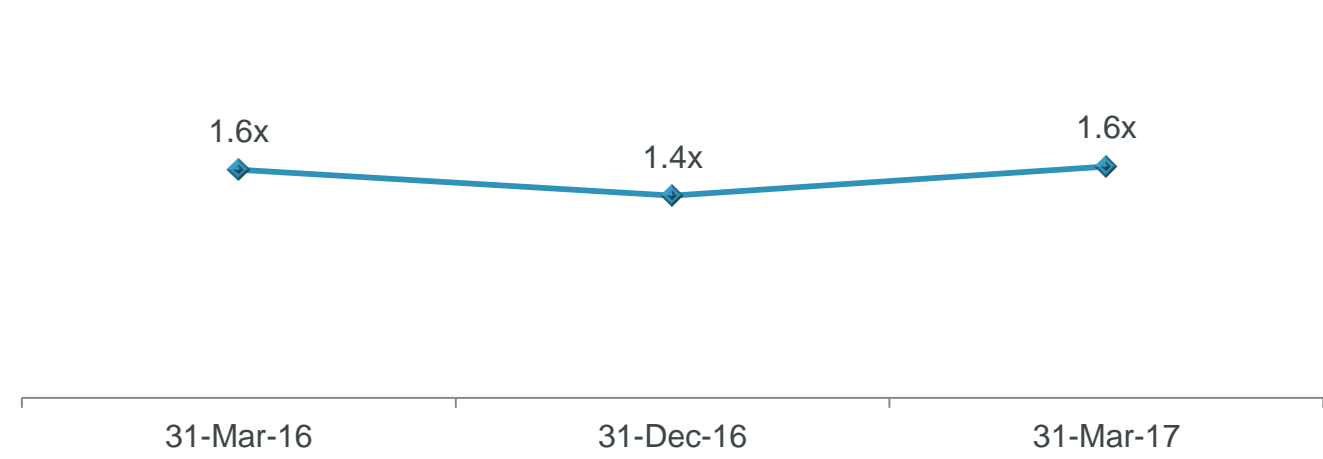


# Leverage Profile

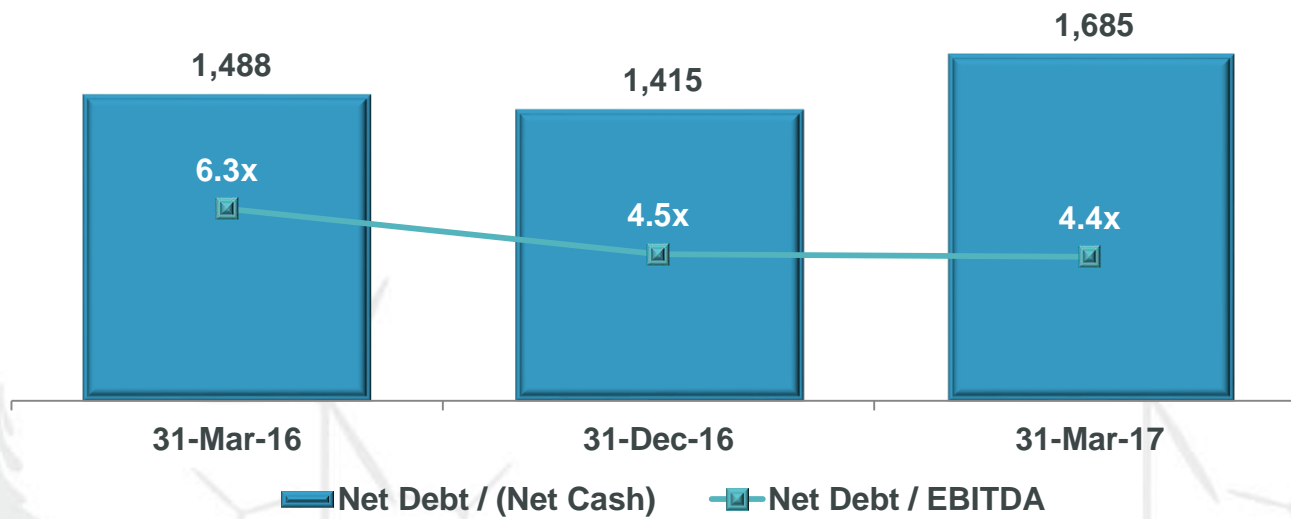
**Debt (Rs. Mn)**



**Total Debt / Equity (x)**



**Net Debt (Rs. Mn) and Net Debt / LTM EBITDA (x)**



- CARE has assigned following ratings to Pitti Laminations bank facilities (August 2016):
  - Long Term Bank Facilities: **CARE BBB+**
  - Short Term Bank Facilities: **CARE A2**

# Recent Corporate Developments

## GE India order

- The Company started the commercial delivery of GE India order during the quarter, a year ahead of the expected schedule
- The contribution from this business is expected to increase further in the next fiscal year

## New plant setup at Hyderabad for machining of castings

- To cater increasing demand from customers the Company is in the process of setting up of plant 4 at Hyderabad
- Expansion is progressing as per plan and will commence production by Q1 FY2018

## Aurangabad Project

- The Aurangabad project is running as per schedule and is expected to start operations by H1 FY2018

## Modernization and Upgradation

- With the view to further enhance the operational efficiency the Company is also undertaking modernization and technology upgrading initiatives across its facilities

# Pitti Laminations - At a Glance

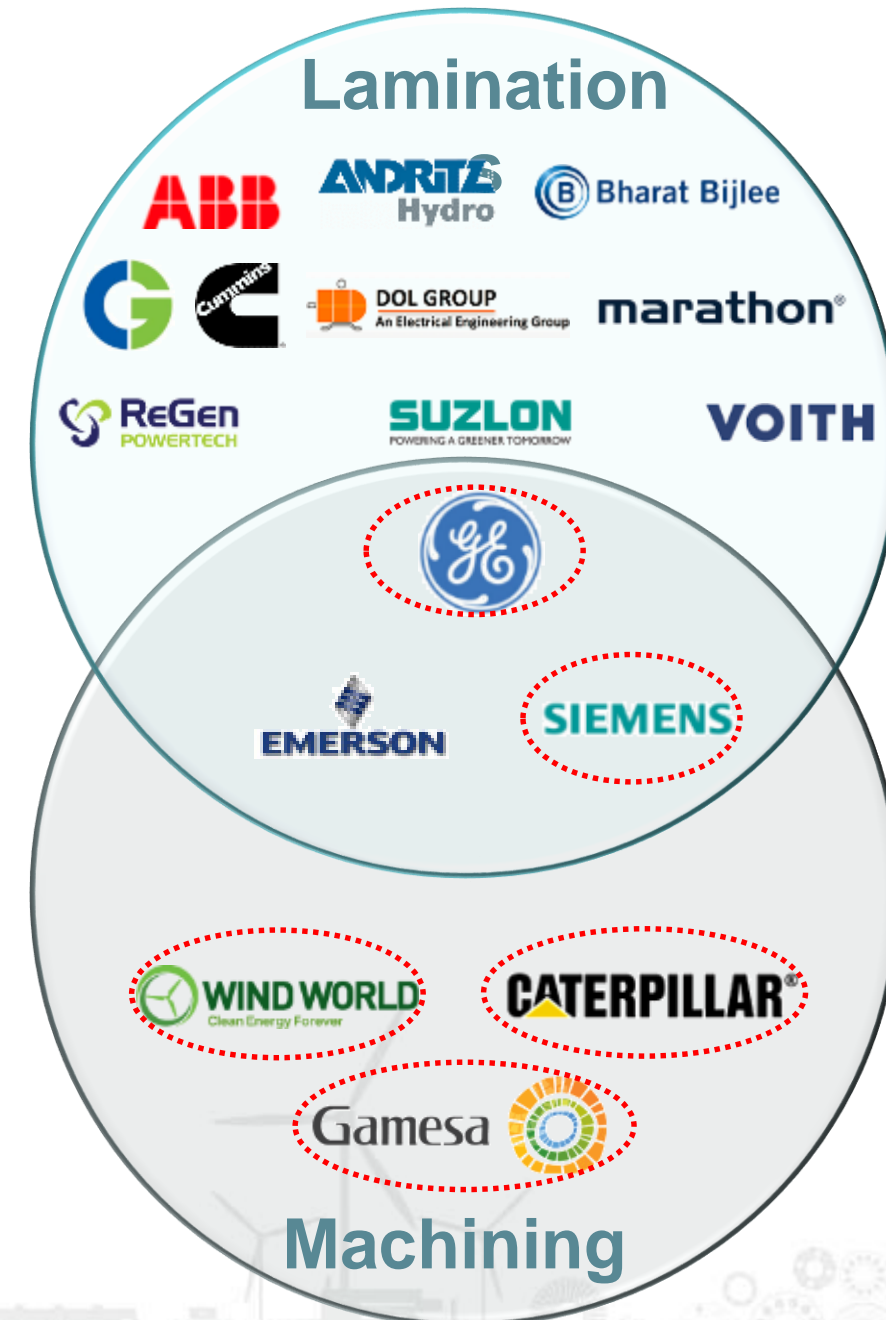
India's only end-to-end product and service provider in the electrical lamination segment

Pioneer for the manufacture of traction motor subassemblies in India

Longstanding customer relationships: Crompton Greaves (27 yrs), Siemens (22 yrs), GE (12 yrs)

First commercial manufacturer of laminations in India certified by BVQI of UK for ISO 9002

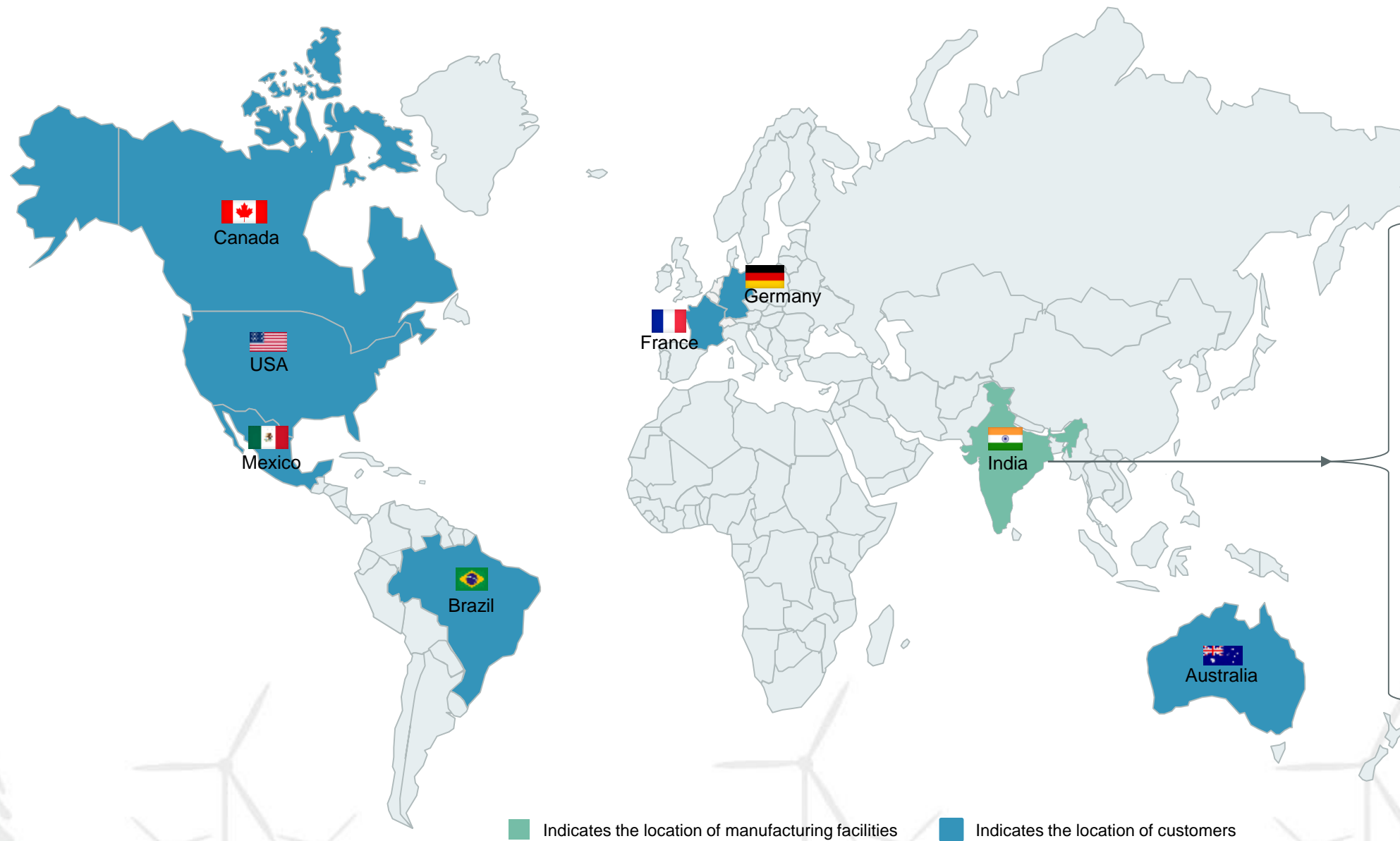
India's only indigenously developed tool room with a portfolio of over 3,400 tools



# Products and Services

Product	Description	Application / End-market
Electrical Steel Laminations 	<ul style="list-style-type: none"> <li>• Produces laminations from 50mm to 1,250mm outer diameter</li> <li>• Spacer/vent and glued laminations for hydro/thermal</li> </ul>	 
Die Cast Rotors & Assemblies 	<ul style="list-style-type: none"> <li>• Skew angle rotors upto 540mm OD &amp; 1,000mm height</li> <li>• Riveting or bolting the rotor stacks under hydraulic pressure</li> </ul>	 
Stator Core Assemblies 	<ul style="list-style-type: none"> <li>• Assemblies upto a diameter of 2,000mm with circular and cleating / welding / riveting of assemblies</li> </ul>	 
Rotor Core Assemblies 	<ul style="list-style-type: none"> <li>• Supplies ready to use assembled rotor cores with stacking</li> </ul>	
Pole Assemblies 	<ul style="list-style-type: none"> <li>• Assembled pole bricks with stacking under hydraulic pressure with end castings</li> </ul>	
Casting & Machine Components 	<ul style="list-style-type: none"> <li>• Machine shop that can handle range of precision machined applications</li> </ul>	

# Global Presence



## Reorganised capacity (Proposed)

### Aurangabad

Facilities	Total Capacity
Laminations (MT)	26,000

### Hyderabad

Facilities	Total Capacity
Laminations (MT)	8,000
Machine Shop (Hrs)	1,85,400
Tool Room (Hrs)	46,000

# Leadership

## Management Team

**Sharad B Pitti**  
Chairman and MD

**Akshay S Pitti**  
Vice Chairman and MD

**N K Khandelwal**  
CFO

**Sandip Agarawala**  
Head, Marketing

**Vikas Hinge**  
Head, Manufacturing  
(Maharashtra)

**Rishab Gupta**  
Head, Strategic Sourcing

## Board of Directors

**Sharad B Pitti**  
Chairman and MD

**Akshay S Pitti**  
Vice Chairman and MD

**N R Ganti**  
Management Consultant

**G Vijaya Kumar**  
Senior Advocate, AP High Court

**M Gopala Krishna**  
Retired IAS

**Gayathri Ramachandran**  
Retired IAS

**S Thiagarajan**  
Chartered Accountant  
Ex-Director (Finance),  
NMDC Limited

■ Executive  
Director

■ Independent  
Director



— Since 1983 —

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