



— Since 1983 —

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q1 FY2018 Earnings Presentation

17 August 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, August 18, 2017 at 4:00 PM IST

Dial-In Numbers

Primary Number	+91 22 3938 1008
Local Access Number	3940 3977
The numbers listed above are universally accessible from all networks and all countries	
Toll Free Number	USA: 1 866 746 2133
	UK: 0 808 101 1573
	Singapore: 800 101 2045
	Hong Kong: 800 964 448

Highlights

Q1 FY2018 vs. Q1 FY2017

Total Volume

4,895 MT
+15.1%

Domestic Volume

3,955 MT
+7.2%

Export Volume

940 MT
+66.4%

Revenue

Rs. 92.1 Crore
+58.7%

EBITDA

Rs. 12.5 Crore
+44.4%

PAT

Rs. 2.5 Crore
+292.8%

Management Commentary

Mr. Akshay S Pitti

Vice Chairman and Managing Director



“We are pleased to report a continued growth momentum supported by robust volume growth and better product mix. Increasing contribution from domestic business and significant improvement in export volume supported for overall volume growth, which is in line with our business strategy.

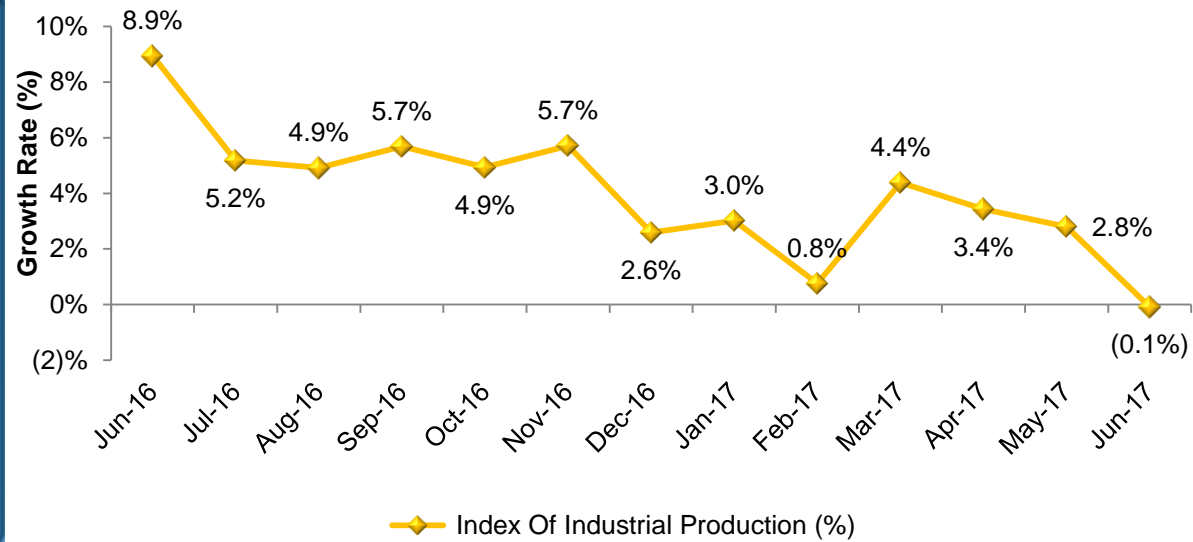
We are happy to announce that during the quarter, the commercial delivery of GE India order gained impetus and expected to contribute meaningfully during the fiscal year. Furthermore, our new plant at Aurangabad is expected to be operational by Q3 FY2018 and we have also successfully completed trial production at Hyderabad plant 4 and started commercial production.

With successful strategy implementation and improved demand outlook has enabled us to build a robust order book. This gives us confidence of continuing the growth trajectory and enhancing shareholder return in the near to medium term.”

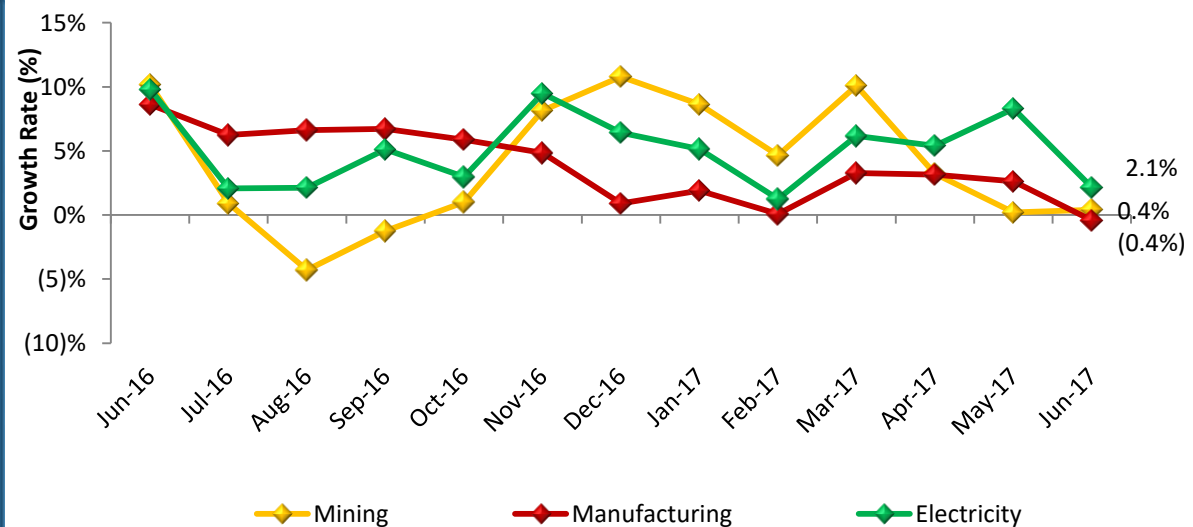
Economy and Industry Update

Macroeconomic Indicators

IIP



IIP – Use Based



Commentary

- Index of Industrial Production (IIP) in June contracted 0.1%, mainly driven by a 6.8% contraction in capital goods
- Reduction in inventories ahead of the transition to the GST, decline in non-oil exports and unfavorable base effect resulted in a marginal contraction in the IIP
- However, we expect that a good monsoon and the Seventh Pay Commission payout coupled with restocking of inventories post GST will boost industrial output in the near term

Financial Summary

(Rs. Crore, unless stated)

Particulars	Q1		y-o-y Growth (%)	Q4	
	FY2018	FY2017		FY2017	q-o-q Growth (%)
Sales Volume (MT)	4,895	4,253	15.1%	4,946	(1.0)%
Net Revenue	92.1	58.1	58.7%	84.2	9.4%
EBITDA¹	12.5	8.6	44.4%	7.6	64.3%
Margin (%)	13.5%	14.9%		9.0%	
Profit After Tax	2.5	0.6	292.8%	1.2	108.6%
Margin (%)	2.7%	1.1%		1.4%	
Total Comprehensive income	2.5	0.9	174.8%	1.5	69.9%
Basic EPS (Rs.)	0.92	0.34	174.8%	0.54	69.9%

Performance Discussion (Y-o-Y)

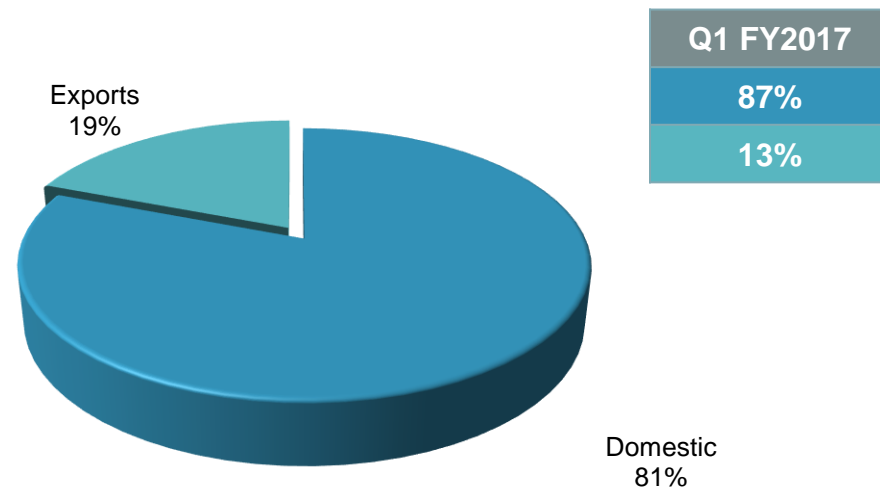
- Revenue growth driven by robust volume growth. Delivery of value added products to GE India for Indian Railways project also contributed to the growth
- EBITDA for the quarter improved significantly driven by combination of factors such as:
 - Better product mix resulting in improved price realization of the domestic business
 - Reduction in employee cost (Q1 FY2018: Rs. 8.8 Crore, 8.8% of total net income from operations; Q1 FY2017: Rs. 9.4 Crore, 14.9% of total net income from operations. Q1 FY2017 employees cost includes retrenchment compensation of Rs. 1.5 Crore)

Note:

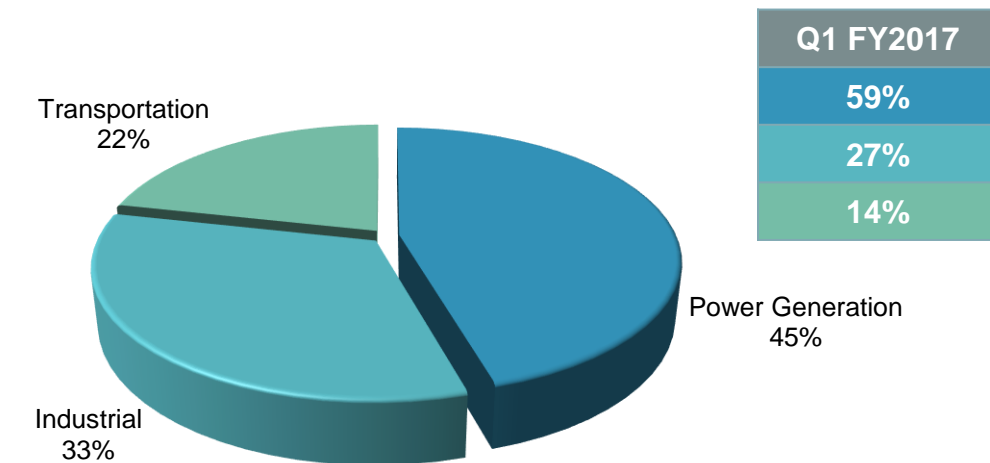
1. EBITDA is Profit from ordinary activities before finance cost, depreciation and exceptional items

Operational Performance – Q1 FY2018

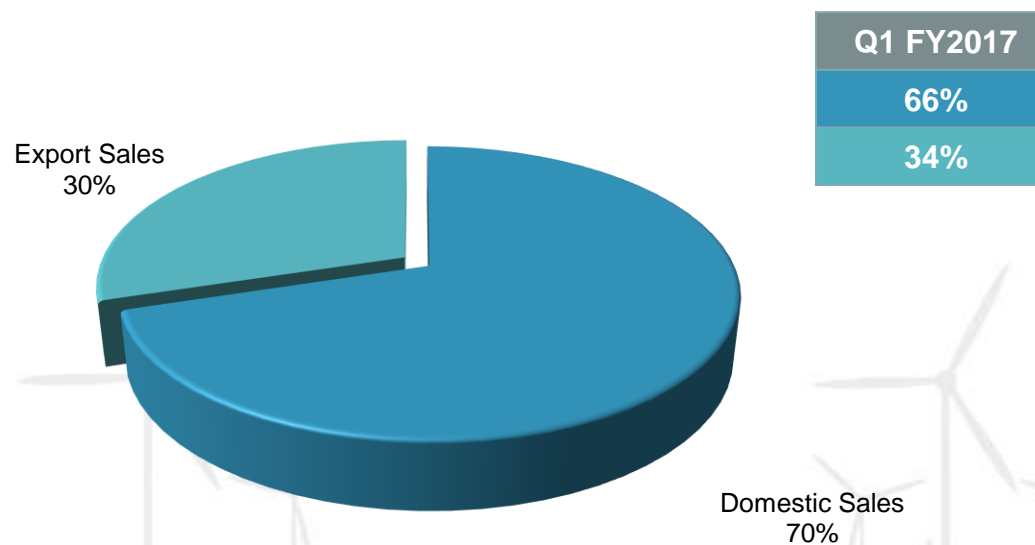
Q1 FY2018 Volume Break-up (4,895 MT)



Q1 FY2018 Volume by End Market (4,865 MT)

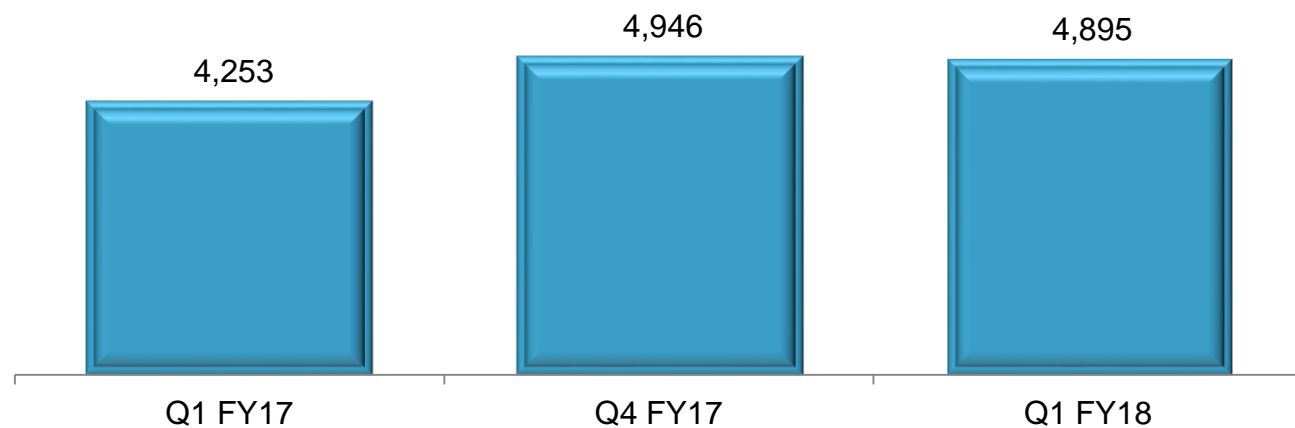


Q1 FY2018 Revenue Break-up (Rs. 92.1 Crore)

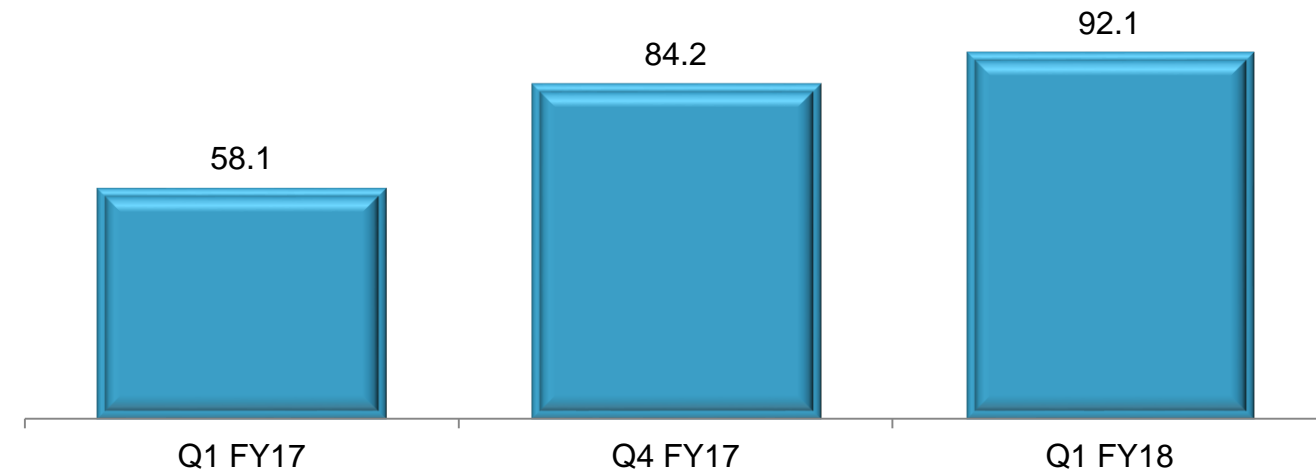


Financial Performance Trend

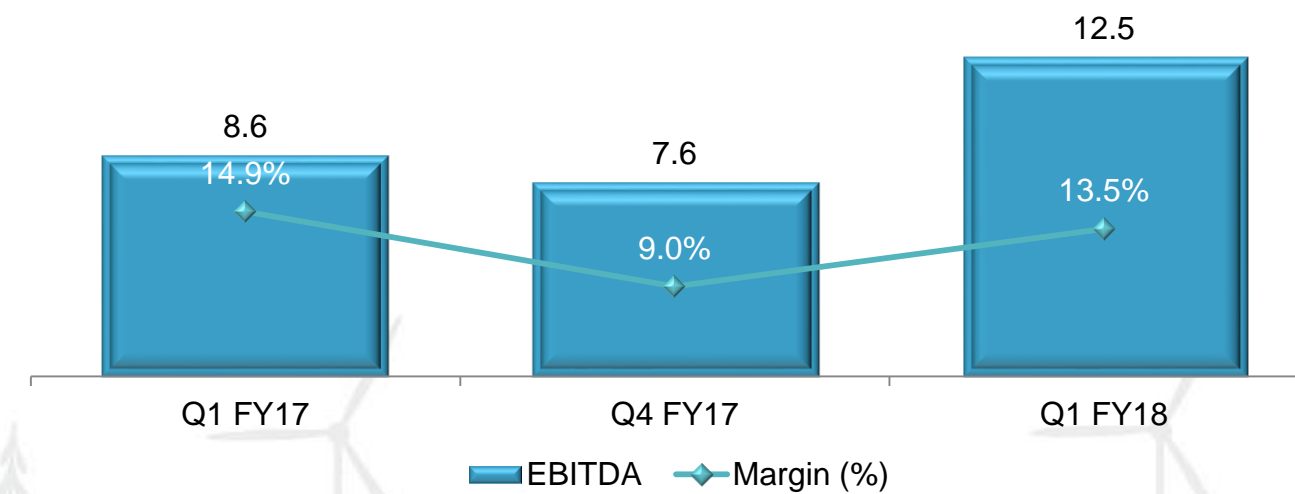
Total Volumes (MT)



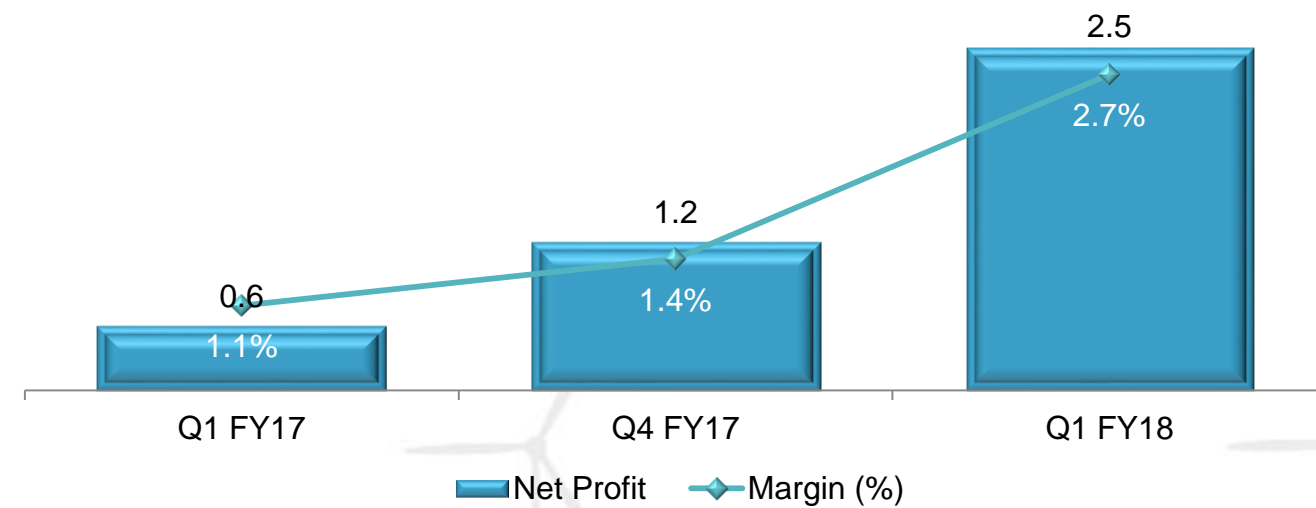
Revenue (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)

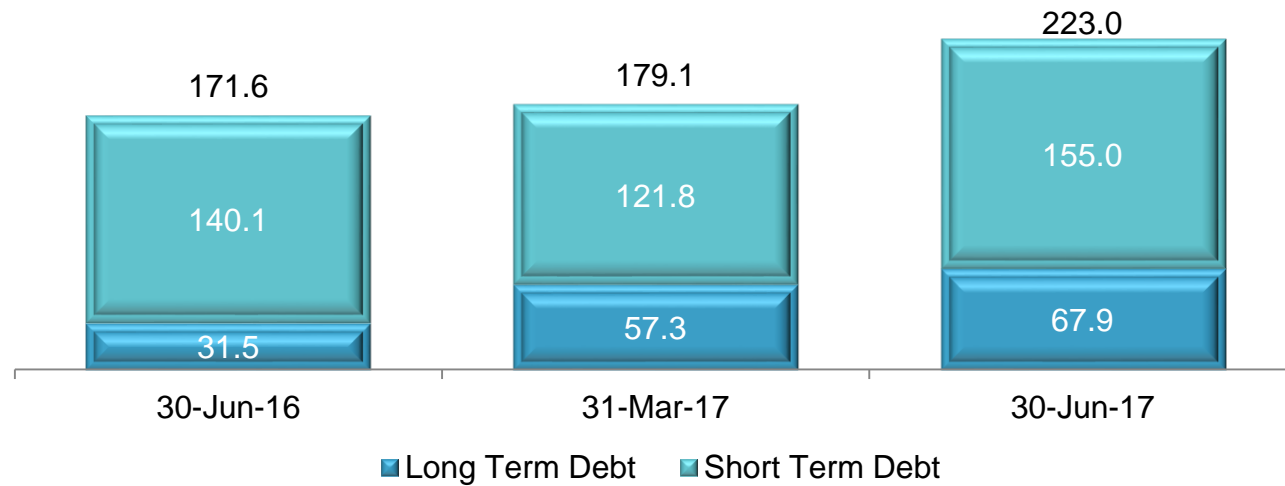


Note:

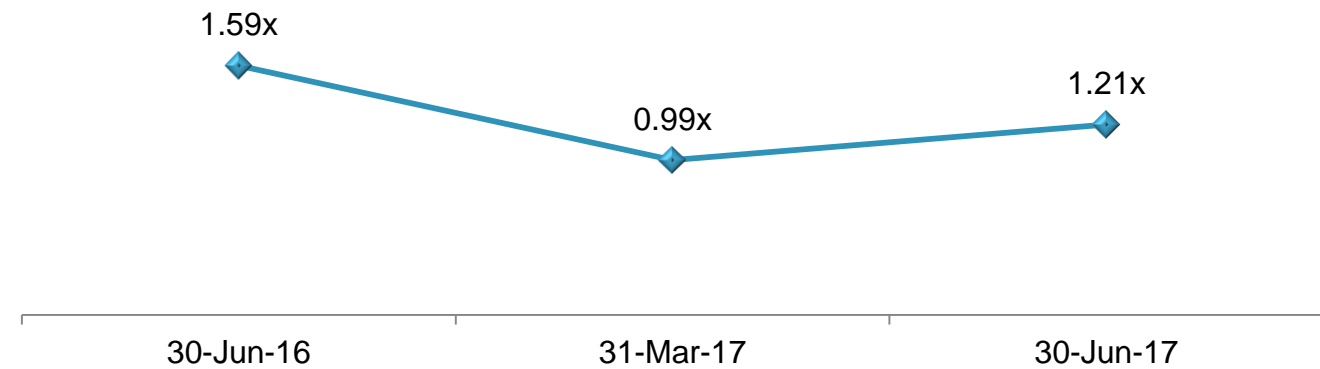
1. EBITDA is Profit from ordinary activities before finance cost, depreciation and exceptional items

Leverage Profile

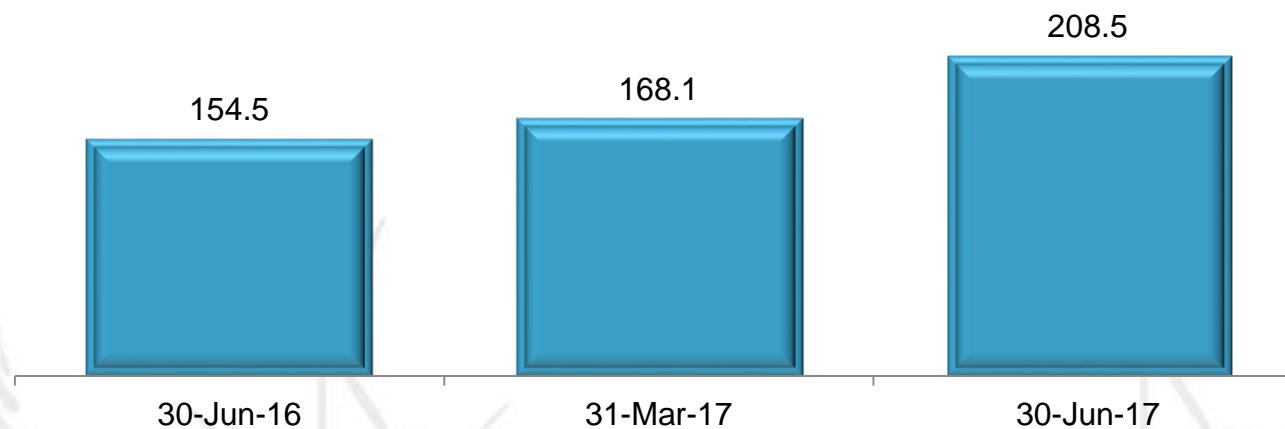
Debt (Rs. Crore)



Total Debt / Equity (x)



Net Debt (Rs. Crore)



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

Note:

1. Total Debt to Equity Ratio adjusted for Quasi Equity (loan from promoters considered to be Quasi Equity) of Rs. 34.1 Crore and Rs. 37.6 Crore for Q4 FY2017 and Q1 FY2018 respectively

Recent Corporate Developments

GE India order

- The commercial delivery of GE India order gained momentum during the quarter
- Expected to contribute meaningfully in this fiscal year

New plant setup at Hyderabad

- The Company has set up plant 4 at Hyderabad for machining activity
- Successfully completed trial production and started commercial production in August 2017

Aurangabad Project

- The Aurangabad project is running as per schedule and is expected to start operations by Q3 FY2018
- The facility will have both laminations and machining capabilities

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

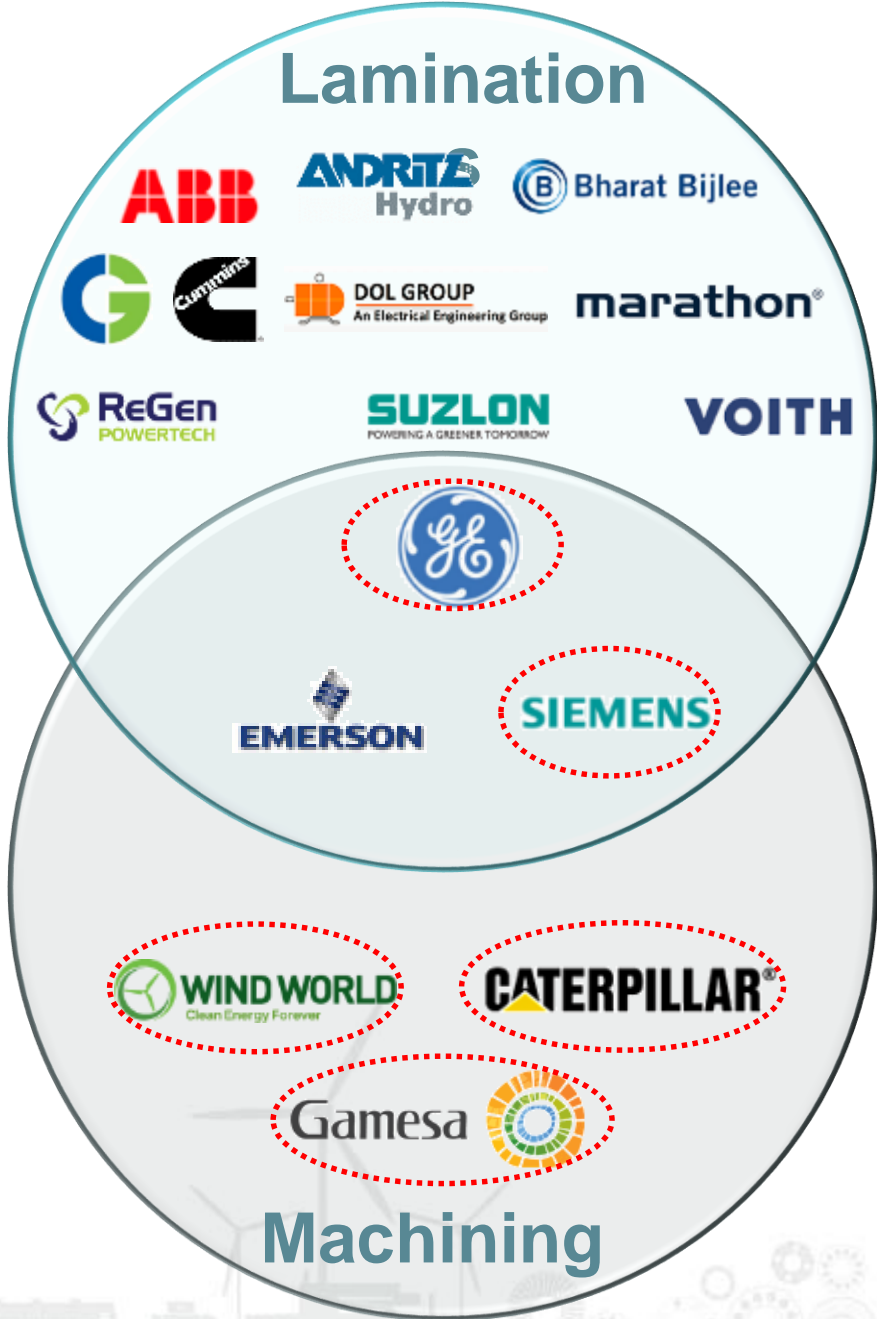
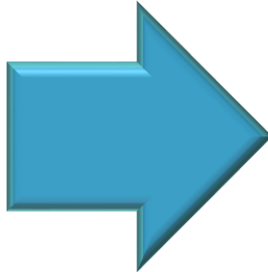
India's only end-to-end product and service provider in the electrical lamination segment

Pioneer for the manufacture of traction motor subassemblies in India

Longstanding customer relationships: Crompton Greaves (28 yrs), Siemens (23 yrs), GE (13 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

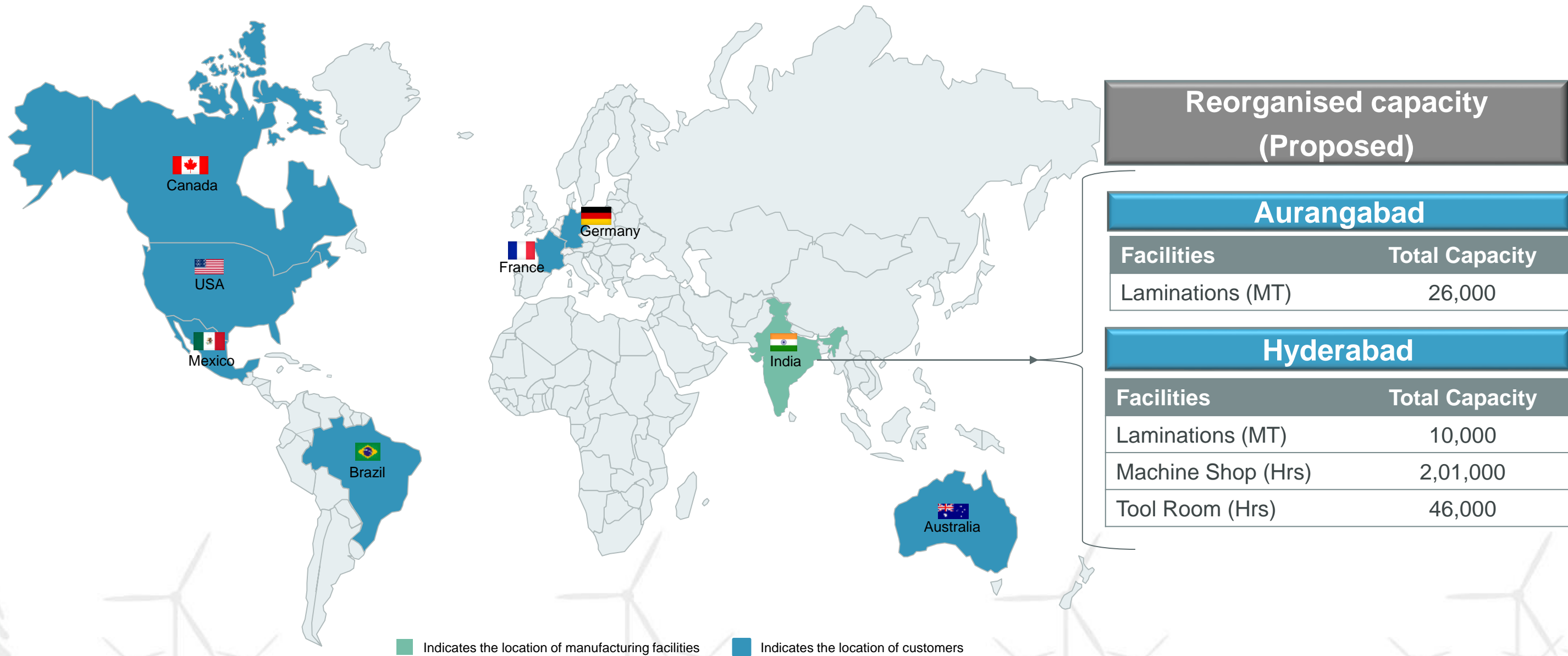


Indicates end customers of Pitti Castings for whom work is executed by Pitti Laminations' machining division; GE and Emerson are also direct customer of Pitti Laminations' machining division

Products and Services

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

Global Presence



Leadership

Management Team

Sharad B Pitti
Chairman and MD

Akshay S Pitti
Vice Chairman and MD

N K Khandelwal
CFO

Sandip Agarawala
Head, Marketing

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
Former Director (Finance),
NMDC Limited

■ Executive
Director

■ Independent
Director



— Since 1983 —

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