



— Since 1983 —

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q2 FY2018 Earnings Presentation

14 December 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: Tuesday, December 19, 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

Q2 FY2018 vs. Q2 FY2017

Total Volume

4,540 MT
(0.7)%

Domestic Volume

3,616 MT
(8.5)%

Export Volume

924 MT
+48.8%

Net Revenue

Rs. 84.0 Crore
+25.8%

EBITDA

Rs. 12.3 Crore
+53.1%

PAT

Rs.3.3 Crore
+238.8%

Management Commentary

Mr. Akshay S Pitti

Vice Chairman and Managing Director



Continuing on the growth momentum we gained during last few quarters, the Company recorded a robust performance during the quarter supported by various operational and strategic initiatives we started in past. Profitability during the quarter trebled compared to same period last year. Improved price realization and better product mix resulted in significant improvement in the profitability. This performance was achieved despite a decline in domestic volume by 8.7% primarily due to initial hick-ups because of implementation of GST.

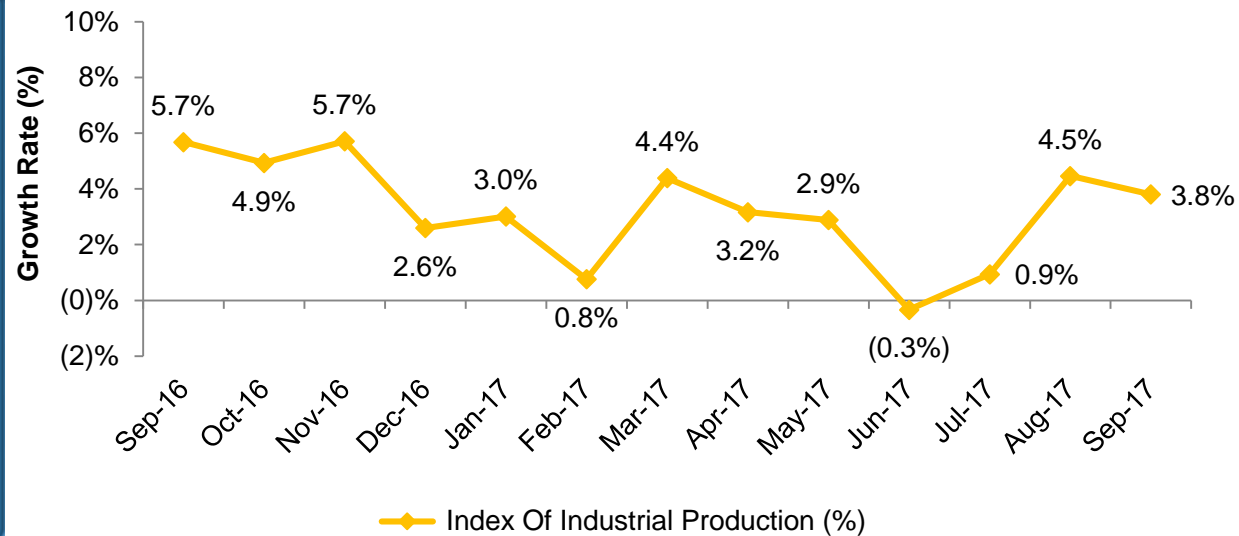
Our various expansion plans including shifting Pune plant to Aurangabad are on verge of completion. We have completed trial production at Aurangabad plant and it is expected to start operations soon. Our plant 4 in Hyderabad has started commercial production and will contribute meaningfully to the business in H2 FY 2018.

Going forward during the year, with longstanding business relations and best-in-class quality standard, we are optimistic about signing new contacts.

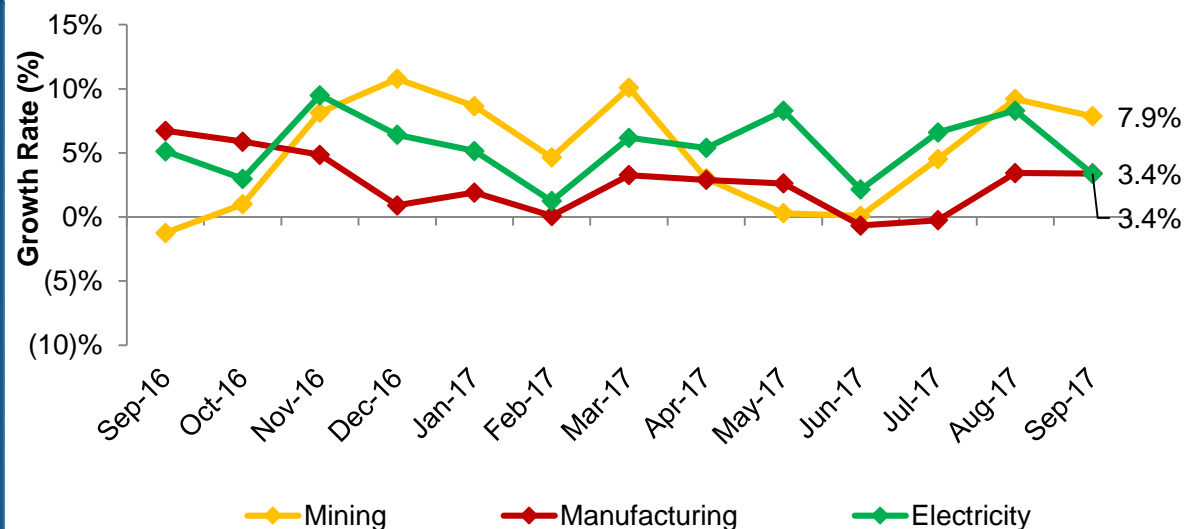
Economy and Industry Update

Macroeconomic Indicators

IIP



IIP – Use Based



Commentary

- India's industrial production growth slowed in September from a nine-month high in August
- Mining output climbed 7.9%, electricity generation rose 3.4% while manufacturing increased 3.4% in September 2017
- Capital goods production rose 7.4%, suggesting some traction in investment activity
- Government's recent measures to address concerns related to GST expect well for IIP growth

Financial Summary

(Rs. Crore, unless stated)

Particulars	Q2		y-o-y	Q1		Half Year		y-o-y
	FY2018	FY2017	Growth (%)	FY2018	q-o-q Growth (%)	FY2018	FY2017	Growth (%)
Sales Volume (MT)	4,540	4,572	(0.7)%	4,895	(7.3)%	9,435	8,825	6.9%
Net Revenue	84.0	66.7	25.8%	92.1	(8.9)%	176.1	124.8	41.1%
EBITDA¹	12.3	8.1	53.1%	12.5	(1.0)%	24.8	16.7	48.6%
<i>Margin (%)</i>	14.7%	12.1%		13.5%		14.1%	13.4%	
Profit After Tax	3.3	1.0	238.8%	2.5	34.1%	5.8	1.6	261.7%
<i>Margin (%)</i>	4.0%	1.5%		2.7%		3.3%	1.3%	
Total Comprehensive income	3.9	1.3	208.2%	2.5	55.6%	6.4	2.2	195.2%
Basic EPS (Rs.)	1.44	0.46	210.1%	0.92	55.6%	2.36	0.8	195.2%

Performance Discussion (Y-o-Y)

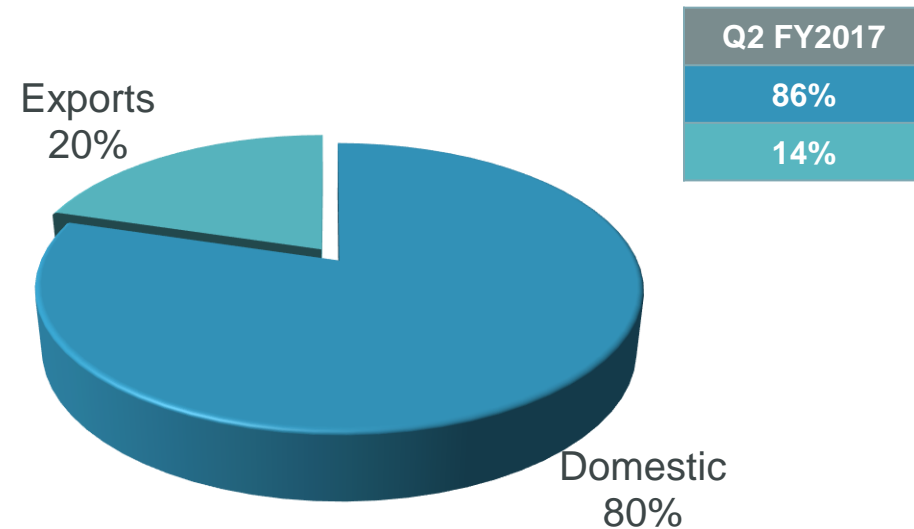
- Domestic Volume during the quarter declined by 8.5%. This decline was primarily on account of shipment delay due to limited clarity of GST regime during the first 15 days of July 2017
- Export volumes for the quarter increased by 48.8% y-o-y. As a result our total volume remained relatively flat compared to same period last year despite decline in domestic volumes
- Topline increased by 26% y-o-y driven by improved price realization due to better product mix and raw material inflation
- Profitability improved by 239% y-o-y compared to same period last year

Note:

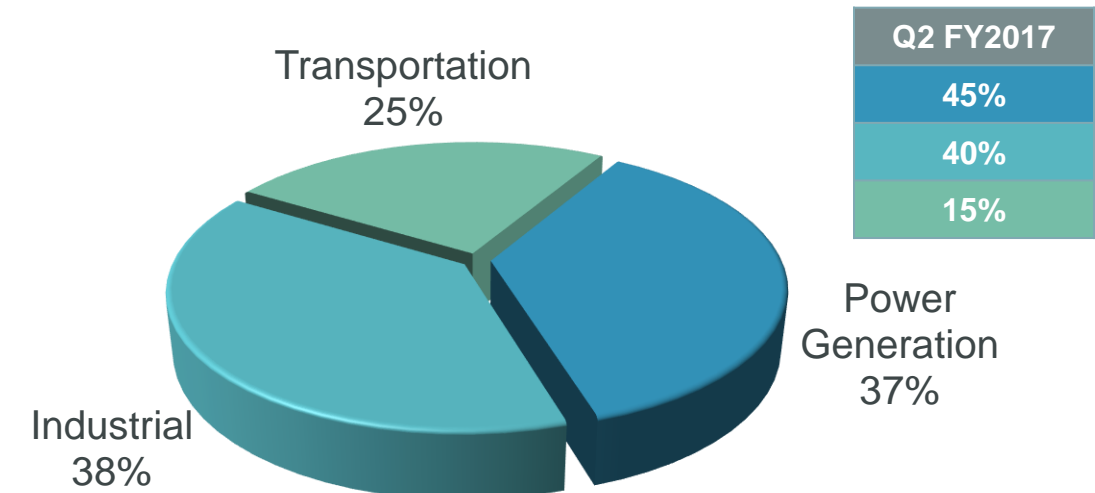
1. EBITDA is Profit from ordinary activities before finance cost, depreciation and exceptional items

Operational Performance – Q2 FY2018

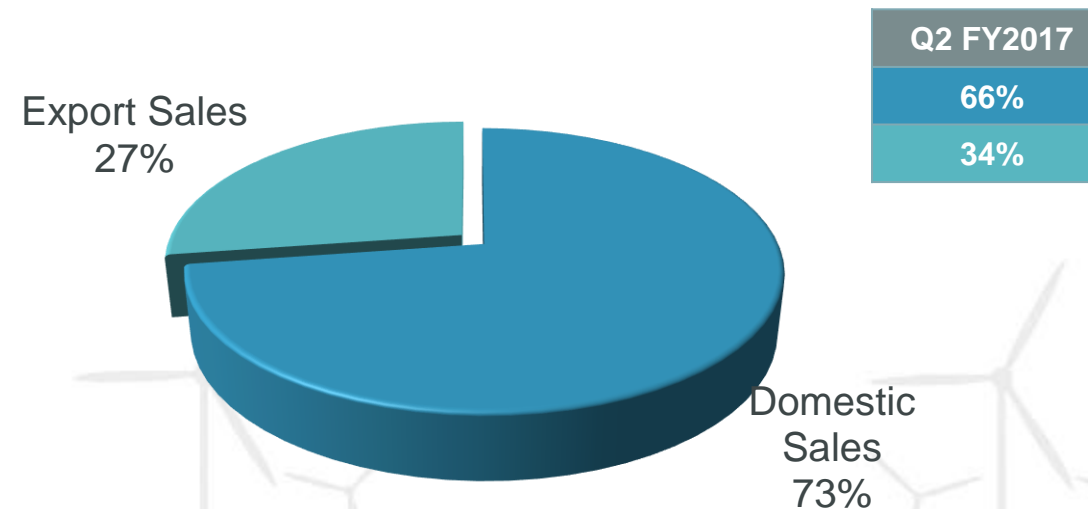
Q2 FY2018 Volume Break-up (4,540 MT)



Q2 FY2018 Volume by End Market (4,540 MT)

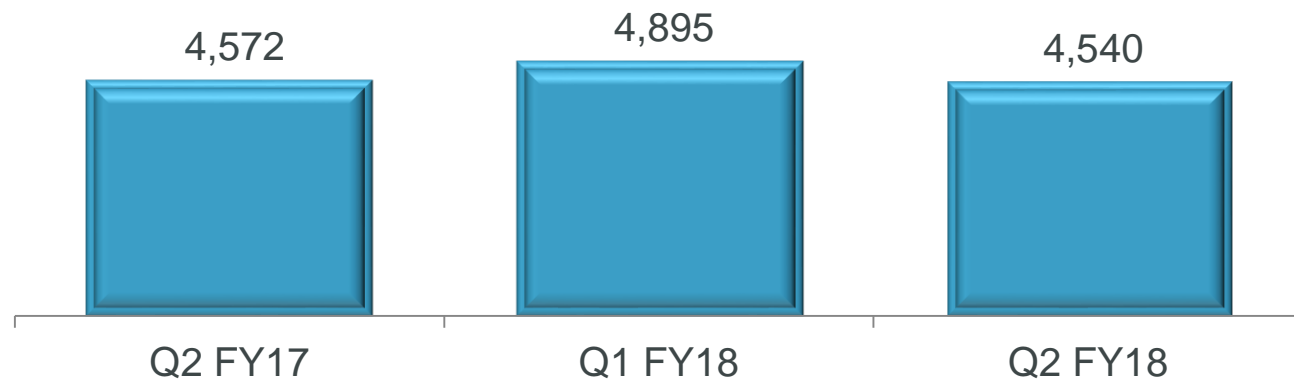


Q2 FY2018 Revenue Break-up (Rs. 84.0 Crore)

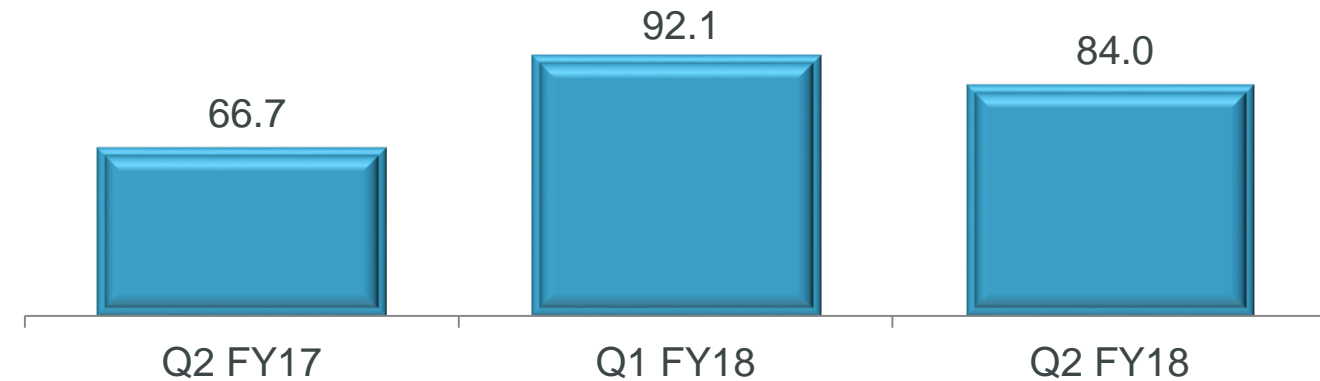


Financial Performance Trend

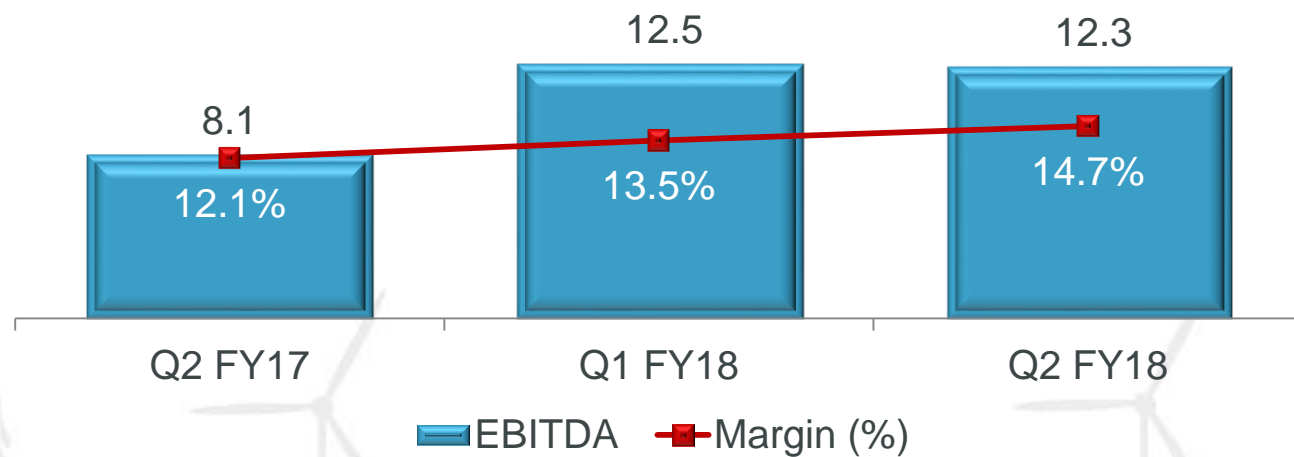
Total Volumes (MT)



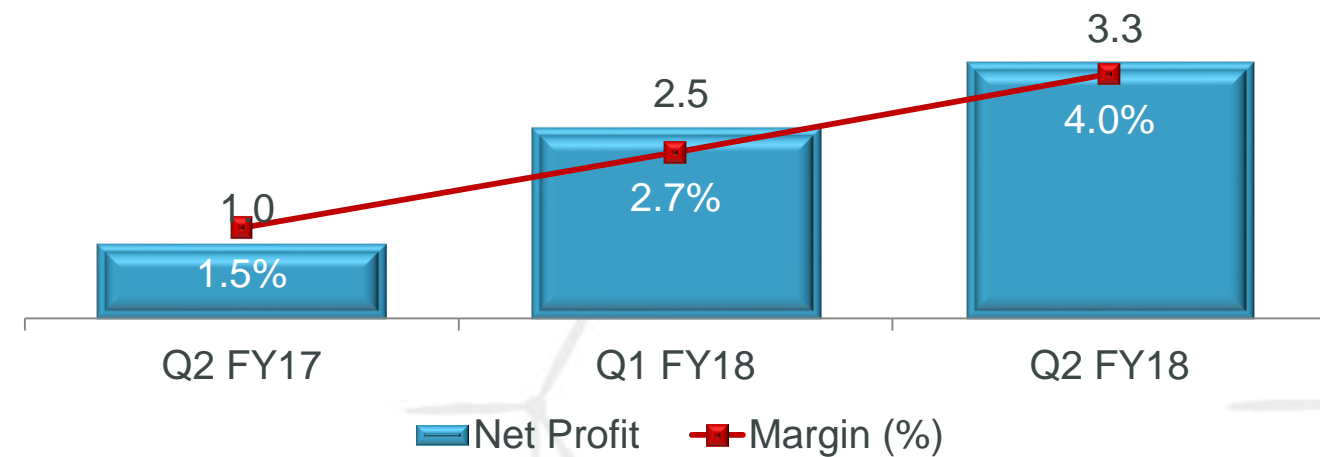
Net Revenue (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)

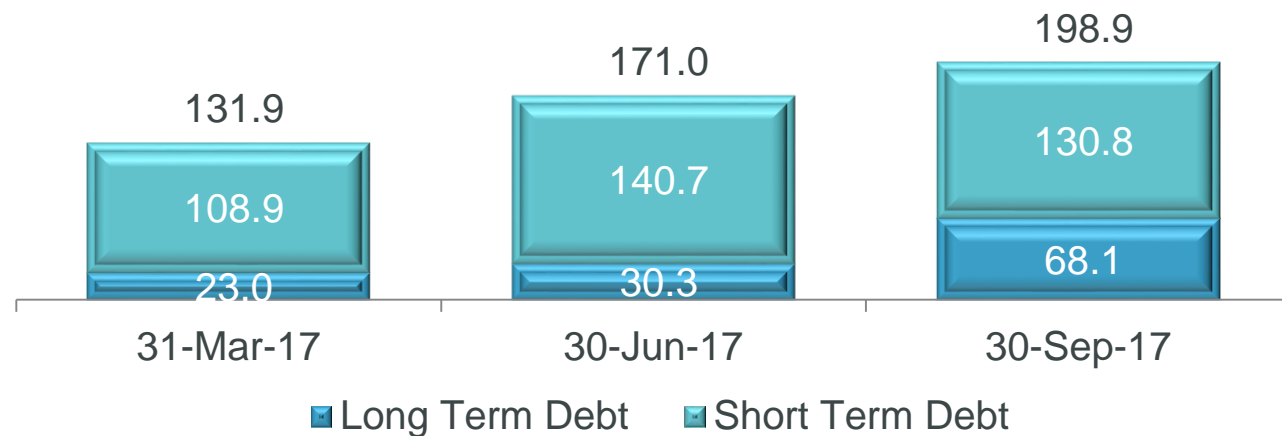


Note:

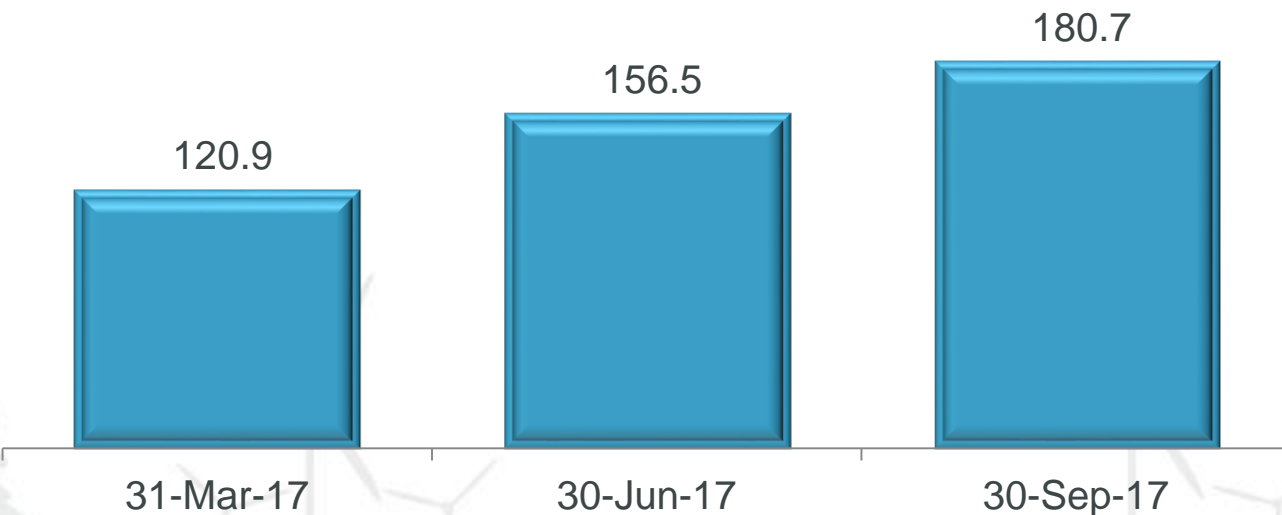
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Leverage Profile

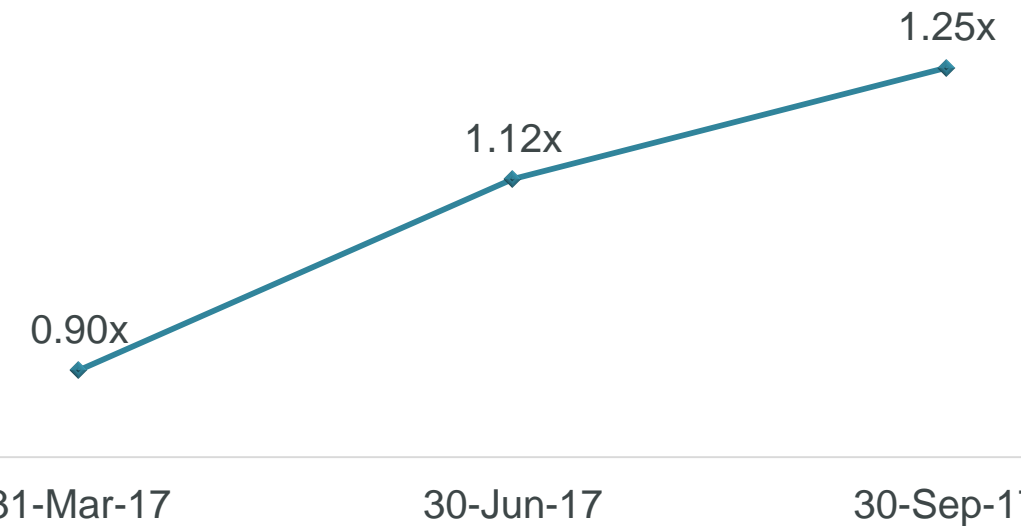
Debt (Rs. Crore)



Net Debt (Rs. Crore)



Total Debt / Equity (x)



- CARE has assigned following ratings to Pitti Laminations bank facilities (September 2017):
 - Long Term Bank Facilities: **CARE BBB+**
 - Short Term Bank Facilities: **CARE A2**
 - Outlook: **Stable**

Note:

1. Total Debt to Equity Ratio adjusted for Quasi Equity (loan from promoters considered to be Quasi Equity) of Rs. 34.1 Crore, Rs. 37.6 Crore and Rs. 40.3 Crore for Q4 FY2017, Q1 FY2018 and Q2 FY2018 respectively

Recent Corporate Developments

GE India order

- The commercial delivery of GE India order gained momentum
- 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
- Commercial production started in August 2017, will pick up momentum in H2 FY2018

Aurangabad Project

- The Aurangabad project is in completion stage and is expected to start operations in mid December 2017
- 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

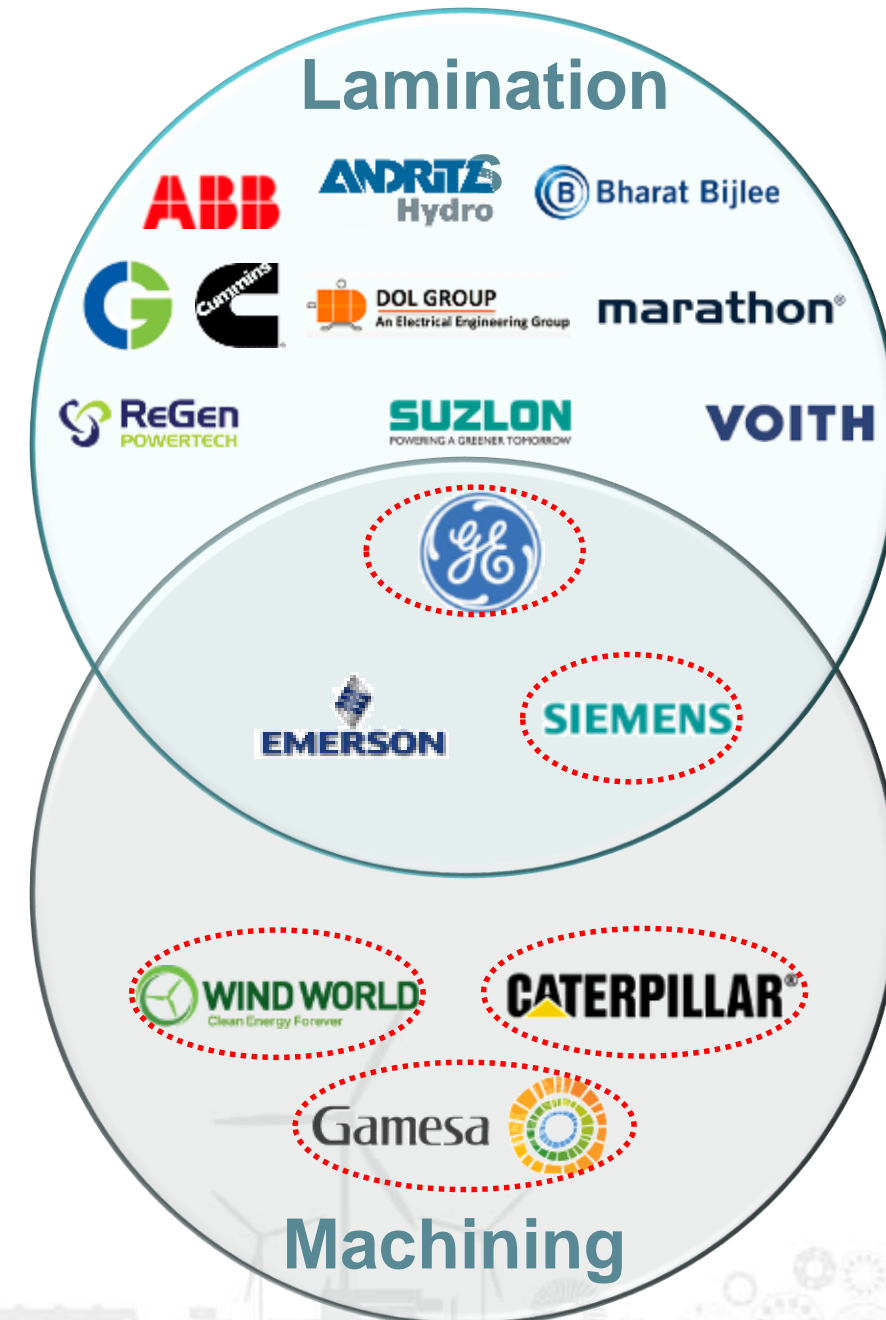
India's only end-to-end product and service provider in the electrical lamination segment

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

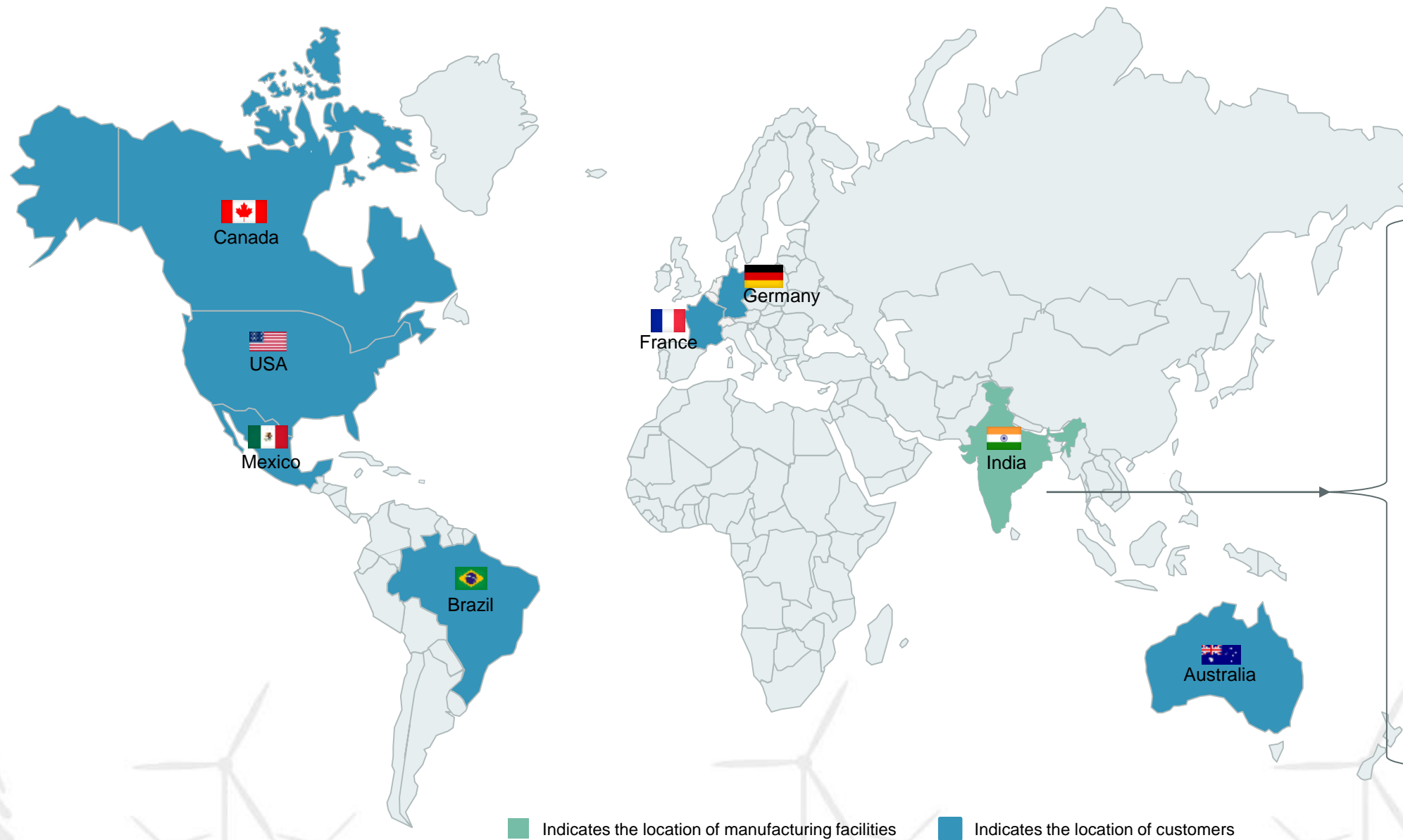


Indicates end customers of Pitti Castings for whom work is executed by Pitti Laminations' machining division; GE and Emerson are also direct customer of Pitti Laminations' machining division

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



Reorganised capacity

Aurangabad

Facilities	Total Capacity
Laminations (MT)	26,000
Machine Shop (Hrs)	16,000

Hyderabad

Facilities	Total Capacity
Laminations (MT)	10,000
Machine Shop (Hrs)	1,85,000
Tool Room (Hrs)	46,000

Leadership

Management Team

Sharad B Pitti
Chairman and MD

Akshay S Pitti
Vice Chairman and MD

N K Khandelwal
President Corporate Resources
and CFO

Sandip Agarawala
President Operations and
Marketing

Rishab Gupta
President Supply Chain
Management and Engg. Projects

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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