PITTI
ENGINEERING SOLUTIONS
— Since 1983 —

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q3 FY2016 Earnings Presentation

12 February 2016

Cautionary Statement

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.

Performance Highlights

9M FY2016 Highlights

- Total Volume of 14,765 MT
  - Domestic: 10,321 MT
  - Exports: 4,444 MT
- Net Revenue of Rs. 2,346 Million
- EBITDA of Rs. 150 Million

Commenting on the results, **Mr. Akshay S Pitti, Vice Chairman** and **MD** of **Pitti Laminations** said:

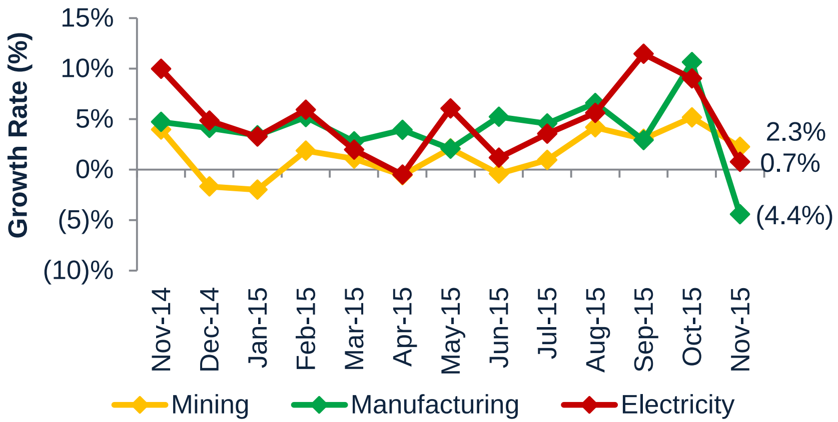
"Performance of the Company during the quarter remained subdued which is clearly a reflection of prevailing macro uncertainties and challenges. OEMs globally remained cautious but continued to make selective investments in infrastructure and critical power transmission projects.

We expect the situation to improve gradually in the coming quarters. Our volume, especially for the domestic business, is expected to experience an uptick in the last quarter of the current fiscal year. However, we anticipate a meaningful improvement in the profitability to be visible from the first half of next fiscal year. This improvement will be driven by revival of the domestic as well as export volumes coupled with benefits of the various strategic and cost control measures undertaken during the current year."

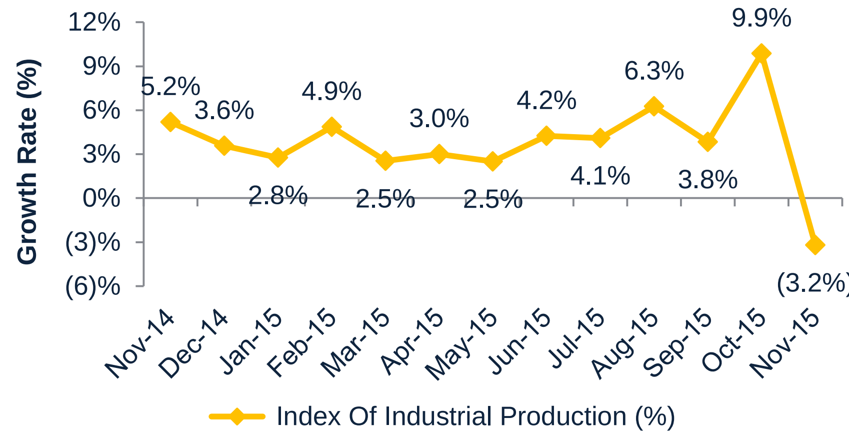
Note: Above figures are rounded off

Macroeconomic Update

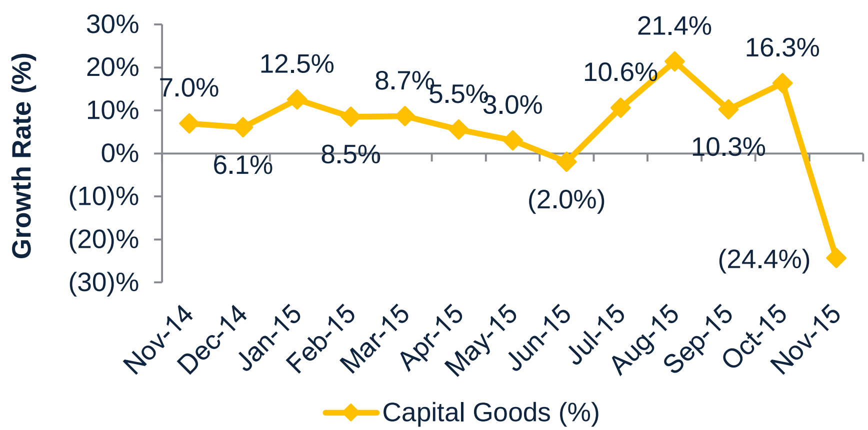
Index of Industrial Production – Sectoral



Index of Industrial Production



Index of Industrial Production – Use Based



Source: Ministry of Statistics and Programme Implementation

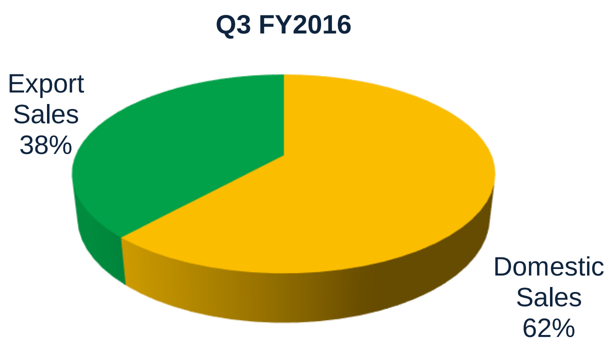
Financial Performance Summary

Consolidated Financial Highlights

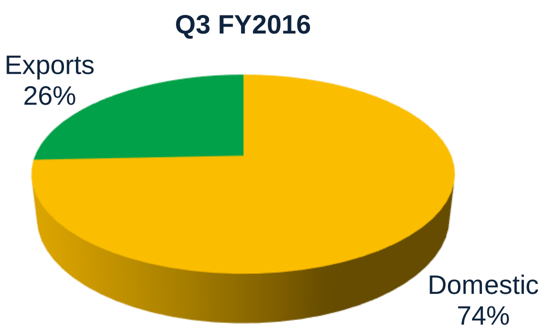
(Rs. Million, unless stated)

Particulars	Q3		*y-o-y*	Q2	*q-o-q*	9M 2016		*y-o-y*
	FY2016	FY2015	*Growth (%)*	FY2016	*Growth (%)*	FY2016	FY2015	*Growth (%)*
Sales Volume (MT)	4,921	5,956	*(17.4)%*	4,737	*3.9%*	14,765	15,399	*(4.1)%*
Net Revenue	708	934	*(24.2)%*	781	*(9.4)%*	2,346	2,372	*(1.1)%*
EBITDA[1]	23	117	*(80.0)%*	32	*(27.1)%*	150	277	*(46.0)%*
Margin (%)	*3.3%*	*12.5%*		*4.1%*		*6.4%*	*11.7%*	
Profit After Tax (PAT)	(40)	29	*nm*	(28)	*nm*	(53)	47	*nm*
Margin (%)	*(5.7)%*	*3.1%*		*(3.5)%*		*(2.3)%*	*2.0%*	
Basic EPS (Rs.)[2]	(1.49)	2.15	*nm*	(1.03)	*nm*	(1.96)	3.50	*nm*

Sales By Geography



Volumes By Geography



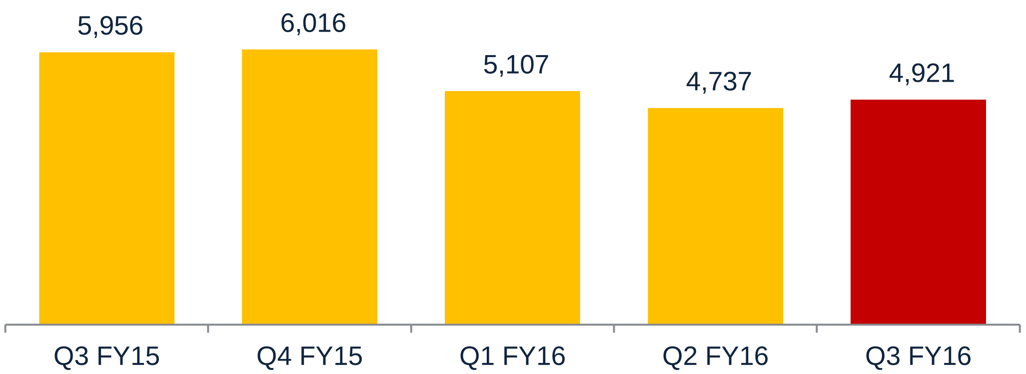
Note:

1 EBITDA is Profit from ordinary activities before finance cost, depreciation, exceptional items and includes forex loss / (gain)

2 Of Rs.5/- each, previous period upto 31st March 2015 Rs.10/- not annualised

Financial Performance Trend

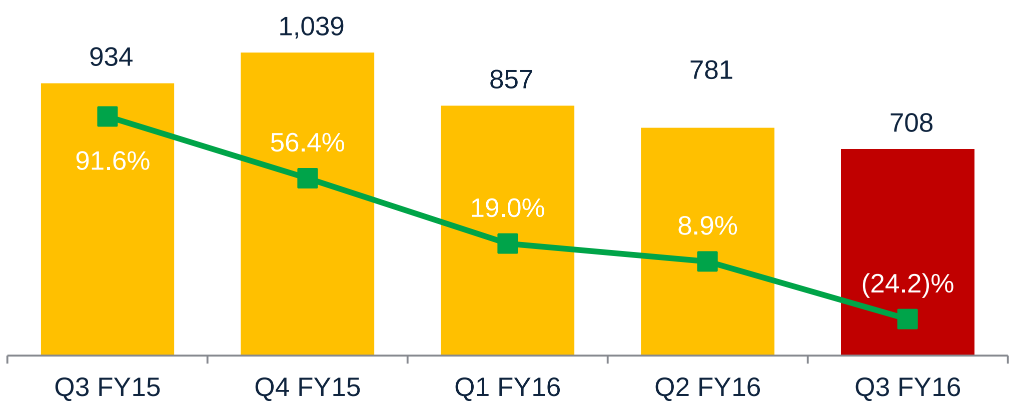
Volume (MT)



Q3 FY2016 vs. Q3 FY2015

- Domestic volumes decreased by 4.2% to 3,657 MT
- Export volumes declined by 40.9% to 1,264 MT
- Export volume declined due to postponement of orders from customers

Net Revenue[1] (Rs. mn) and Y-o-Y Growth (%)



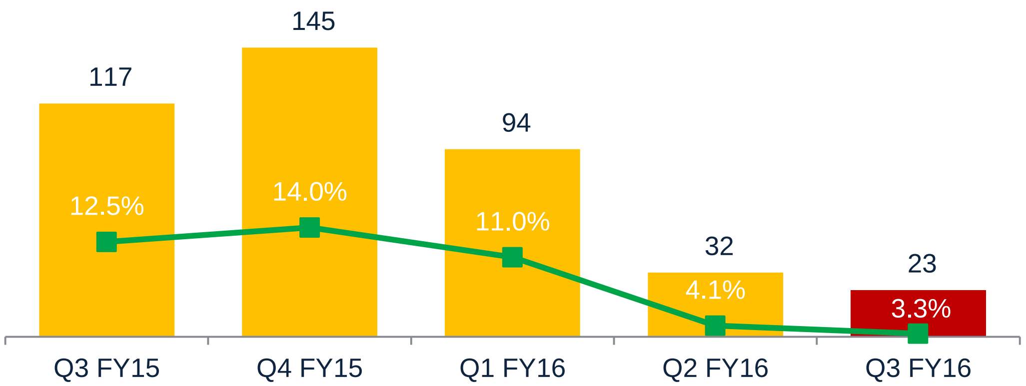
Q3 FY2016 vs. Q3 FY2015

- Revenues for the quarter declined mainly due to muted volume growth
- Domestic sales declined by 5.2% to Rs. 433 million
- Export sales declined by 42.4% to Rs. 268 million

Note: 1. Includes other operating income

Financial Performance Trend

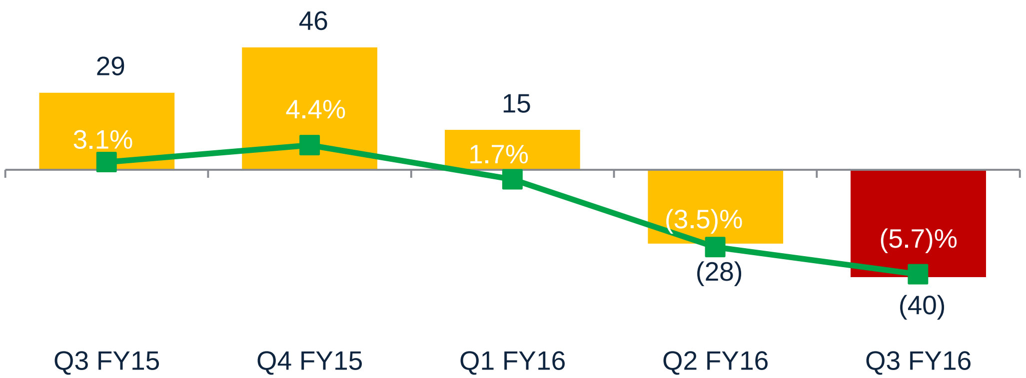
EBITDA[1] (Rs. mn) and Margin (%)



Q3 FY2016 vs. Q3 FY2015

- EBITDA for the quarter was impacted by significant decline in export volumes
- Lower realization on scrap sales also impacted the operating profit

PAT (Rs. mn) and Margin (%)



Q3 FY2016 vs. Q3 FY2015

- Profitability for the quarter was impacted due to lower operating profit
- Also included effect of sale of obsolete and non-moving inventories

Note:

1 EBITDA is Profit from ordinary activities before finance cost, depreciation, exceptional items and includes forex loss / (gain)

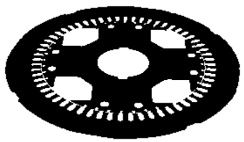
Leverage Profile

Conservative Leverage Profile

(Rs. million)	31-Dec-15	30-Sep-15
Long Term Debt	363	361
Short Term Debt	1,315	1,296
Total Debt	**1,678**	**1,657**
Less: Cash & Cash Equivalents	157	165
Net Debt / (Net Cash)	**1,521**	**1,492**
Net Worth	1,119	1,160
Total Debt / Net Worth (x)	**1.5x**	**1.4x**

- The Company has a **'A-'** rating for its long term bank facilities and **'A2+'** rating for its short term bank facilities by CARE

Product Portfolio

Product		Description	Application / End-market
Electrical Steel Laminations		• Produces laminations from 50mm to 1,250mm outer diameter • Spacer/vent and glued laminations for hydro/thermal Generators	• Power generation • Transportation • Mining • Industrial motors • Locomotives • Aerospace • Automobile • Oil & gas
Die Cast Rotors & Assemblies		• 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		• Assemblies upto a diameter of 2,000mm with circular and segmental laminations and cleating / welding / riveting of assemblies	
Rotor Core Assemblies		• Supplies ready to use assembled rotor cores with stacking under hydraulic pressure	
Pole Assemblies		• Assembled pole bricks with stacking under hydraulic pressure and welding / core bolting with end castings	
Casting & Machine Components		• Machine shop that can handle range of precision machined components for different applications	• All the above • Earth moving and mining

Blue Chip Customers

Laminations

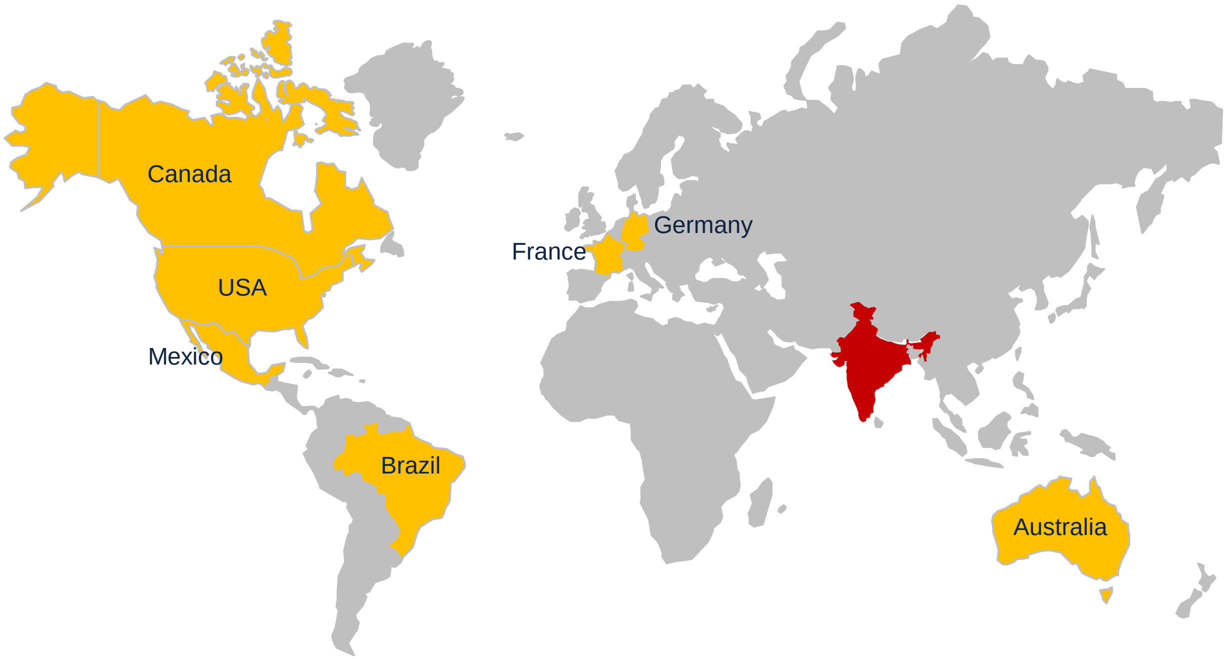
Casting

Machining

Note: Customers arranged in alphabetical order

Global Footprint

Geographically Diversified Customer Base



Facilities	Capacity
Lamination	32,000 MT
Machined Casting	113,400 No. of available hours

Indicates the location of manufacturing facilities

Indicates the location of customers

Management and Board

Management Team

Key Executives	Role
Sharad B Pitti	Chairman and MD
Akshay S Pitti	Vice Chairman and MD
Y B Sahgal	Executive Director
GVSN Kumar	Executive Director and CFO

Board of Directors

Board Member	Background
Sharad B Pitti	Chairman and MD
Akshay S Pitti	Vice Chairman and MD
Y B Sahgal	Executive Director
GVSN Kumar	Executive Director and CFO
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

Executive Director   Independent Director

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