

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q1 FY2017 Earnings Presentation

10 August 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



Q1 FY2017 Highlights

Total Volume	Net Revenue	EBITDA	PAT
4,253 MT	Rs. 581 mn	Rs. 89 mn Margin: 15.4%	Rs. 12 mn Margin: 2.1%

Commenting on the results, **Mr. Akshay S Pitti, Vice Chairman and Managing Director** said:

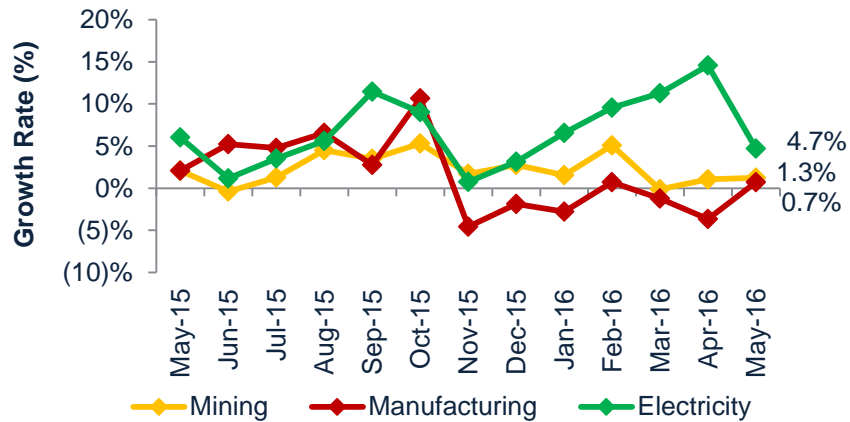
“We reported a satisfactory performance during the quarter despite a productivity loss of around 20 working days on account of labour unrest. In Q1 FY2017, our domestic laminations volume increased by 14.4% mainly due to strategic focus on the domestic market. Improved activity in the renewable energy sector also benefitted our domestic business. We remain focused on increasing our presence in domestic market.

Management team’s relentless focus on improving operational efficiency and product mix has started yielding results which is evident from improvement in profitability. Going forward, we expect our performance to build on the initial momentum generated and show marked improvement during the second half of the current fiscal year.”

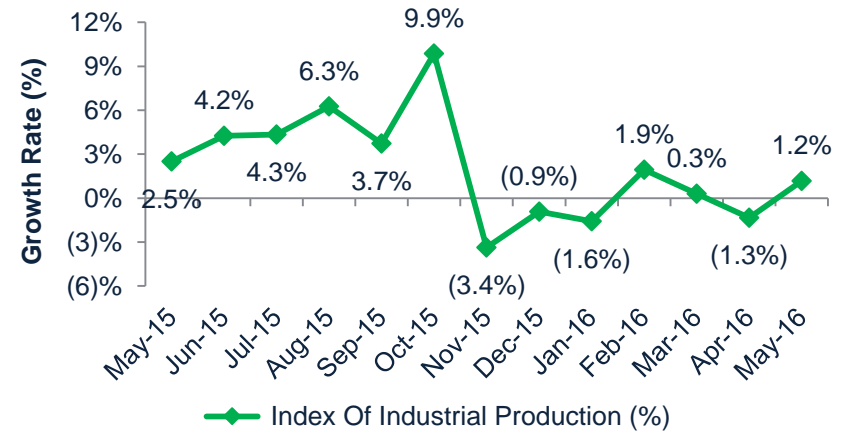
Note: Above figures are rounded off

Macroeconomic Update

Index of Industrial Production – Sectoral



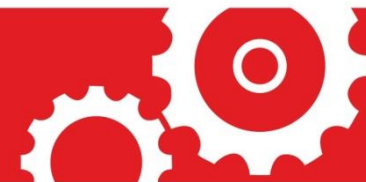
Index of Industrial Production



Index of Industrial Production – Use Based



Financial Performance Summary



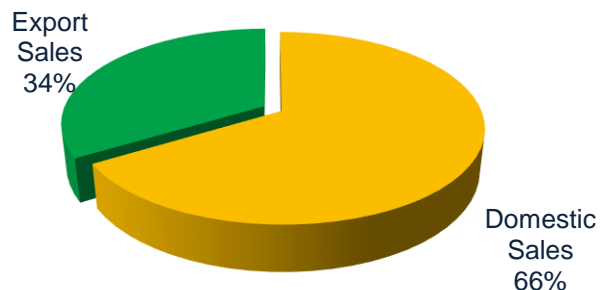
Consolidated Financial Highlights

(Rs. Million, unless stated)

Particulars	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY2017	FY2016		FY2016	
Sales Volume (MT)	4,253	5,107	(16.7)%	4,889	(13.0)%
Net Revenue	581	857	(32.2)%	769	(24.5)%
EBITDA ¹	89	94	(5.0)%	37	138.1%
Margin (%)	15.4%	11.0%		4.9%	
Profit After Tax (PAT)	12	15	(17.4)%	(43)	nm
Margin (%)	2.1%	1.7%		nm	
Basic EPS (Rs.)	0.46	0.56	(17.4)%	(1.58)	nm

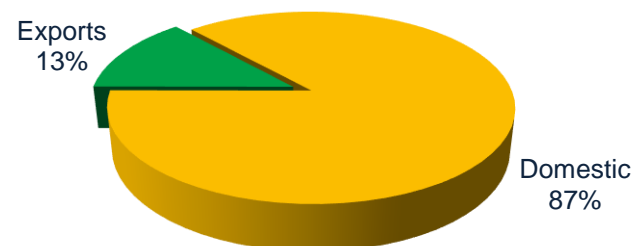
Sales By Geography

Q1 FY2017 (Rs. 581 mn)



Volumes By Geography (Laminations)

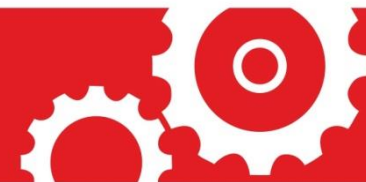
Q1 FY2017 (4,253 MT)



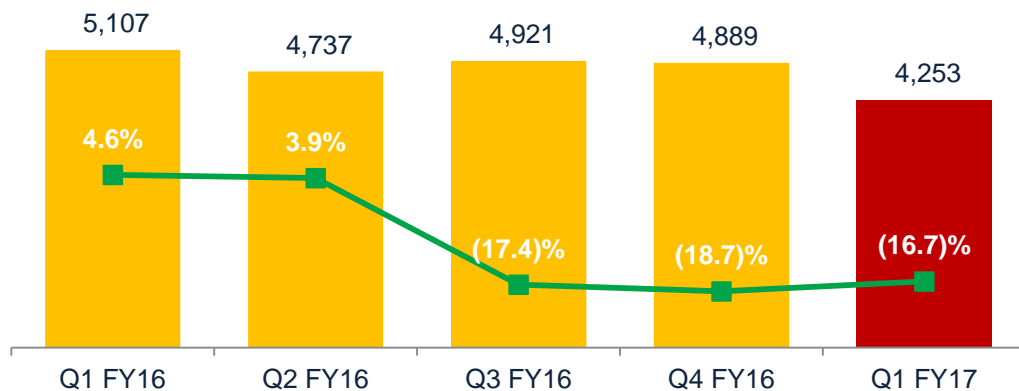
Note:

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

Financial Performance Trend



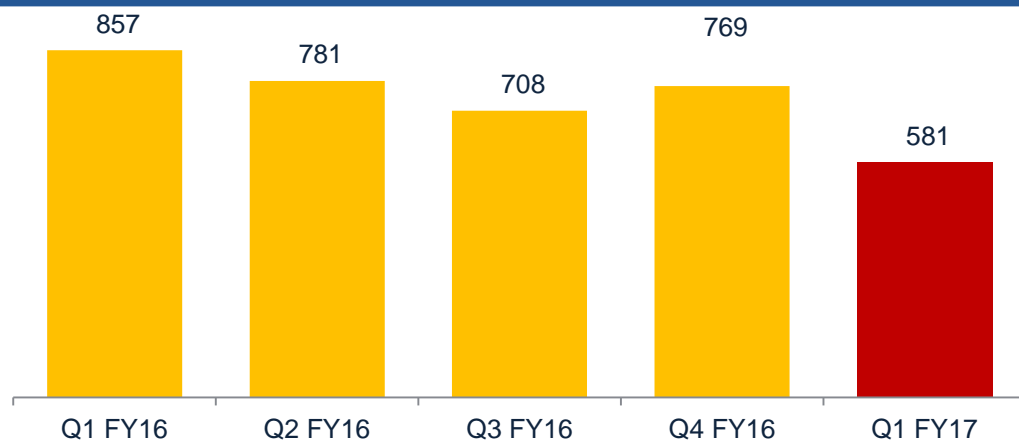
Volume (MT)



Q1 FY2017 vs. Q1 FY2016

- Domestic volumes increased by 14.4% to 3,688 MT
- Domestic laminations volume increased mainly due increased focus on the domestic market
- Export volumes declined by 70% to 565 MT

Net Revenue¹ (Rs. mn)

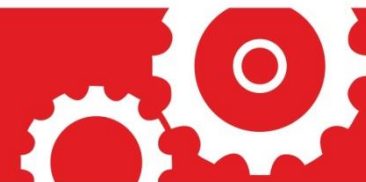


Q1 FY2017 vs. Q1 FY2016

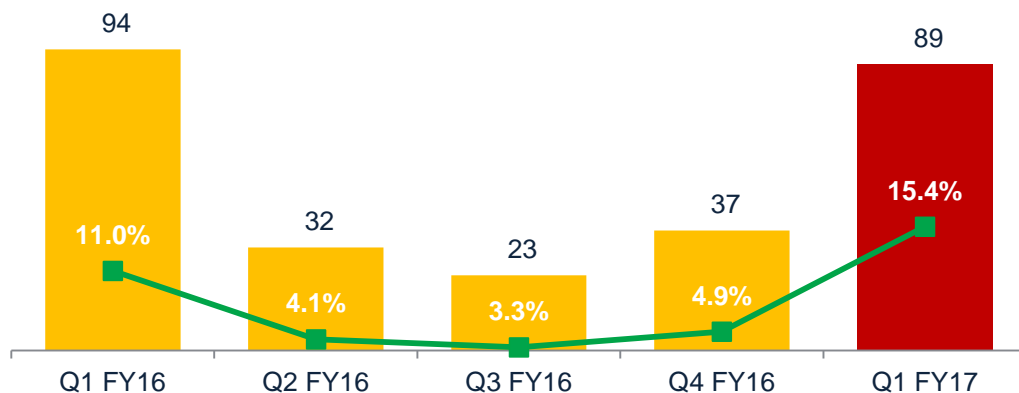
- Significant decline in volumes impacted overall top-line performance
- Domestic sales declined by 9% to Rs. 381 million
- Export sales declined by 55.4% to Rs. 193 million

Note: 1. Includes other operating income

Financial Performance Trend



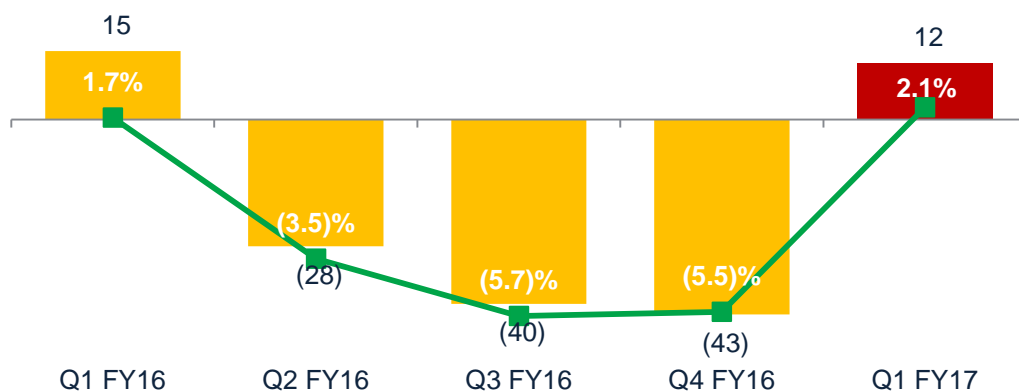
EBITDA¹ (Rs. mn) and Margin (%)



Q1 FY2017 vs. Q1 FY2016

- EBITDA margins significantly improved supported by improved operational efficiencies
- Better product mix also supported the operating profit

PAT (Rs. mn) and Margin (%)

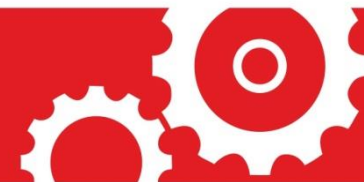


Q1 FY2017 vs. Q1 FY2016

- Improvement in profitability was primarily driven by better operating profit

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

Leverage Profile



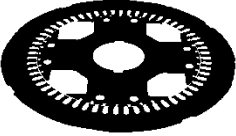





Conservative Leverage Profile

(Rs. million)	30-Jun-16	31-Mar-16
Long Term Debt	316	261
Short Term Debt	1,304	1,365
Total Debt	1,620	1,626
Less: Cash & Cash Equivalents	171	182
Net Debt / (Net Cash)	1,449	1,444
Net Worth	1,082	1,070
Total Debt / Net Worth (x)	1.5x	1.5x

- The Company has a '**BBB+**' rating for its long term debt and '**A2**' rating for its short term debt by CARE

Product Portfolio



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 	<ul style="list-style-type: none"> • Power generation • Transportation • Mining • Industrial motors • Locomotives • Aerospace • Automobile • Oil & gas
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 	

Blue Chip Customers



Laminations



Casting



Machining

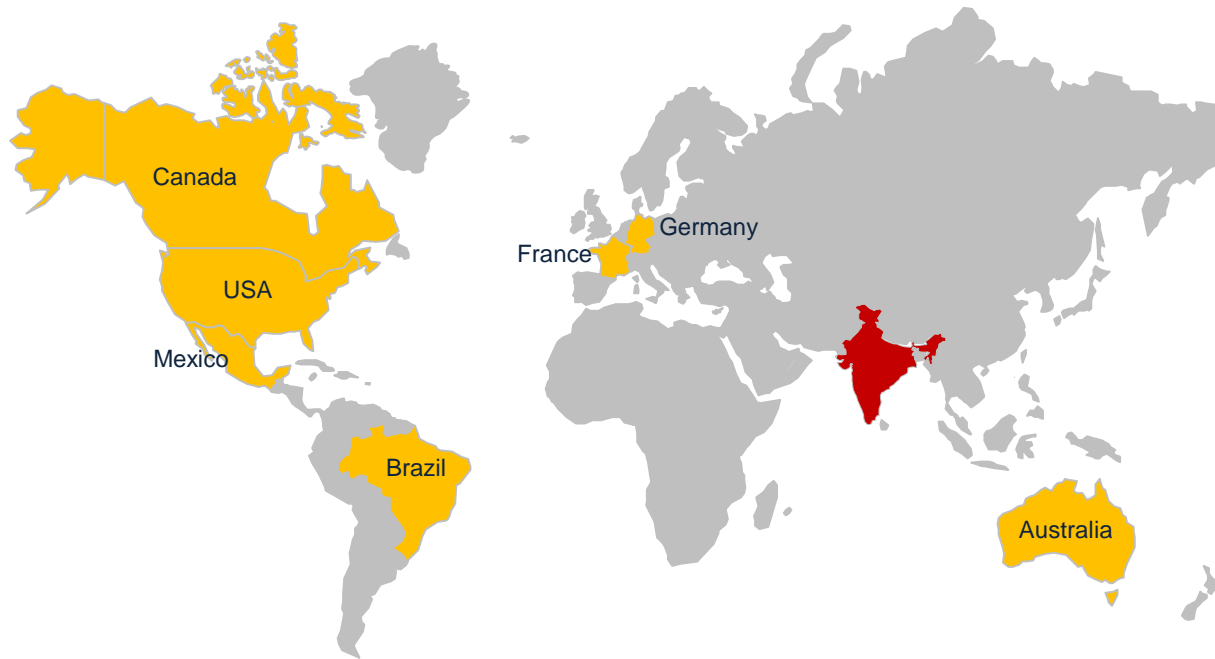


Note: Customers arranged in alphabetical order

Global Footprint



Geographically Diversified Customer Base



Facilities	Capacity
Lamination	36,000 MT
Machined Casting	113,400 No. of available hours

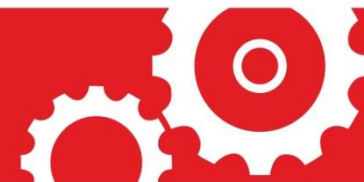


Indicates the location of manufacturing facilities



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
N. K. Khandelwal	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
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



Pitti Laminations Limited

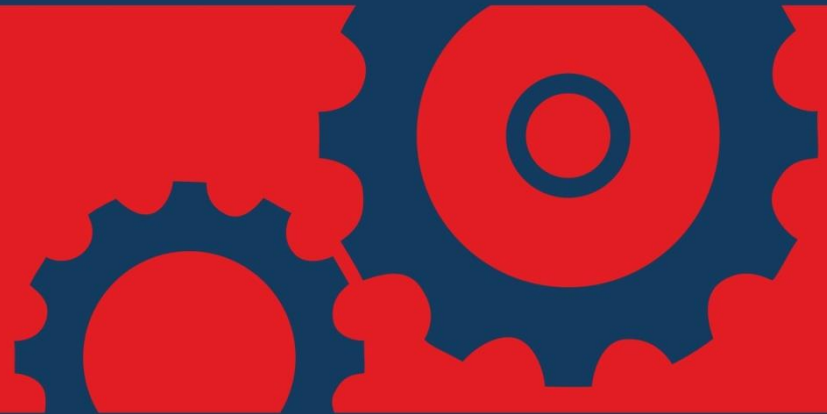
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