

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q4 and Full Year FY2015 Earnings Presentation

24 April 2015

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



FY2015 vs. FY2014

Total Volume

21,414 MT

+42.2%

Domestic Volume

13,528 MT

+25.9%

Export Volume

7,886 MT

+83.0%

Net Revenue

Rs. 3,410 mn

+37.6%

EBITDA

Rs. 422 mn

+64.6%

PAT

Rs. 93 mn

+121.8%

Dividend per share (Rs.)

Interim Dividend: 0.75

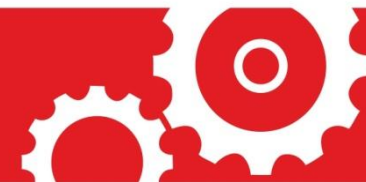
(face value of equity share of Rs.10 each)

Final Dividend: 0.625

(face value of equity share of Rs. 5 each)

Note: Above figures are rounded off

Performance Highlights



Q4 FY2015 vs. Q4 FY2014

- Total Volume of 6,016 MT, up 40.6%
- Net Revenue of Rs. 1,039 million, up 56.4%
- EBITDA of Rs. 145 million, up 85.1%
 - EBITDA margin improved by 216 bps to 14.0%
- PAT of Rs. 46 million, up 134.7%
 - PAT margin improved by 148 bps to 4.4%
- Total Debt increased to Rs. 1,364 million compared to Rs. 1,270 million as of 31st December 2014
 - Total Debt / Equity of 1.2x and Net Debt to LTM EBITDA of 2.9x

FY2015 vs. FY2014

- Total Volume of 21,414 MT, up 42.2%
- Net Revenue of Rs. 3,410 million, up 37.6%
- EBITDA of Rs. 422 million, up 64.6%
 - EBITDA margin of 12.4%
- PAT of Rs. 93 million, up 121.8%
 - PAT margin improved by 104 bps to 2.7%
- Recommended final dividend of Rs. 0.625 (per share of face value Rs. 5) which takes the total dividend payout for the year to 20%

Performance Highlights



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

“We are delighted to close the fiscal year with a strong performance. First half of the year was difficult for us due to the overall difficult economic environment and the resultant postponement of orders by some of clients. However, in the second half of the year we recorded a robust growth driven by a demand uptick on account of better industrial activity in the major economies of the world.

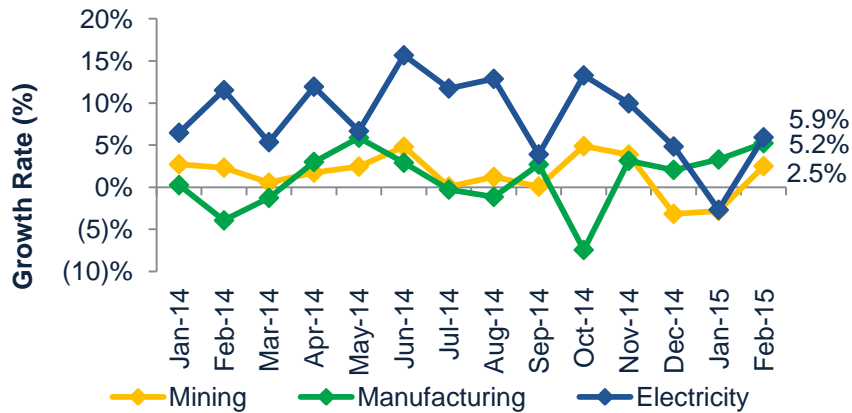
During the year, we recorded a volume growth of over 42% to 21,414 MT. We recorded our highest ever annual domestic volumes of 13,528 MT, an increase of 25.9%. Exports for the year increased by 83.0% to 7,886 MT. This robust volume growth resulted in Net Revenues of Rs. 3,410 million, an increase of 38%. Our profitability also improved significantly by 122% to Rs. 93 million. PAT margin for the fiscal year improved by 104 basis points to 2.7% compared to same period last year.

Based on our current order book and customer feedback we are confident to continue this growth trajectory in the coming years. Furthermore, commissioning of our Pune facility is completed and is expected to result in additional domestic as well as export orders. We believe the business challenges are now behind us and we are at an inflection point. We look forward to an exciting phase of growth for the Company and thus enhancing shareholders value.

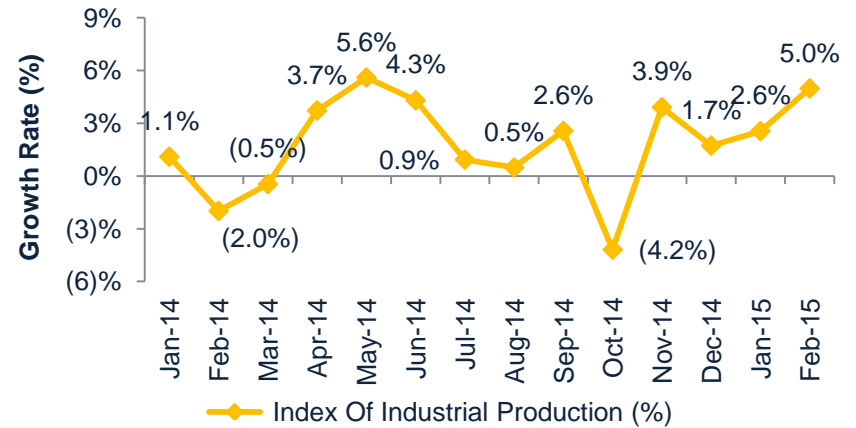
The strong performance has enabled the Board to declare a final dividend of Rs. 0.625 per share (face value Rs. 5) in addition to an interim dividend declared earlier this year. This takes the dividend payout for the year to 20% of face value.”

Industry Dynamics

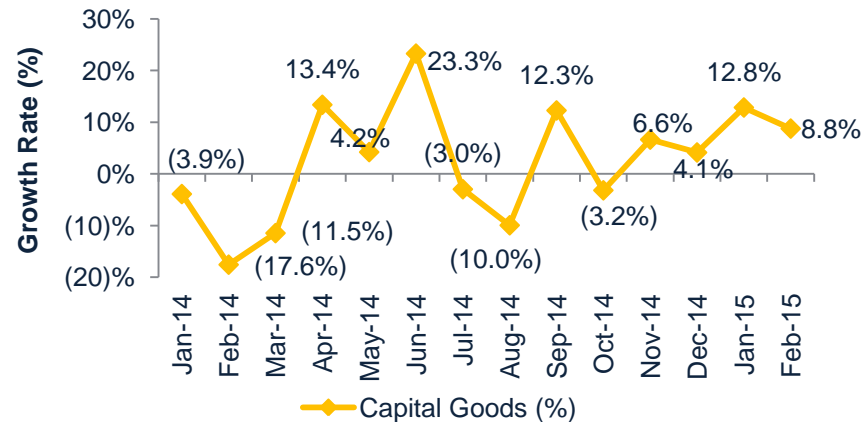
Index of Industrial Production – Sectoral



Index of Industrial Production



Index of Industrial Production – Use Based



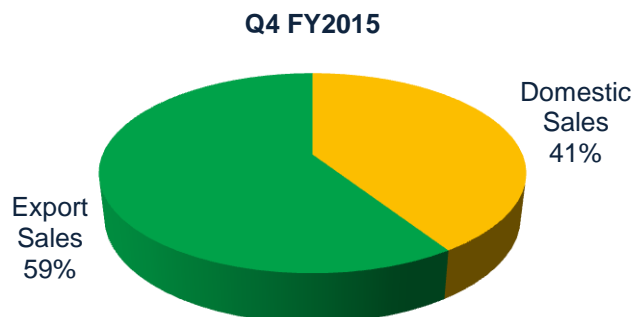
Financial Performance Summary



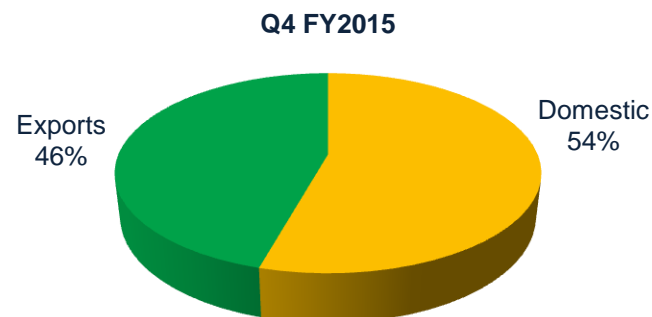
Consolidated Financial Highlights

Particulars (Rs. millions)	Q4		y-o-y	Q3	q-o-q	Full Year		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	Growth (%)	FY2015	FY2014	Growth (%)
Sales Volume (MT)	6,016	4,279	40.6%	5,956	1.0%	21,414	15,055	42.2%
Net Revenue	1,039	664	56.4%	934	11.2%	3,410	2,478	37.6%
EBITDA ¹	145	78	85.1%	117	23.9%	422	256	64.6%
Margin (%)	14.0%	11.8%		12.5%		12.4%	10.3%	
Profit After Tax (PAT)	46	20	134.7%	29	58.7%	93	42	121.8%
Margin (%)	4.4%	3.0%		3.1%		2.7%	1.7%	
Basic EPS (Rs.)	3.41	1.45	135.2%	2.15	58.7%	6.91	3.12	121.3%

Sales By Geography



Volumes By Geography

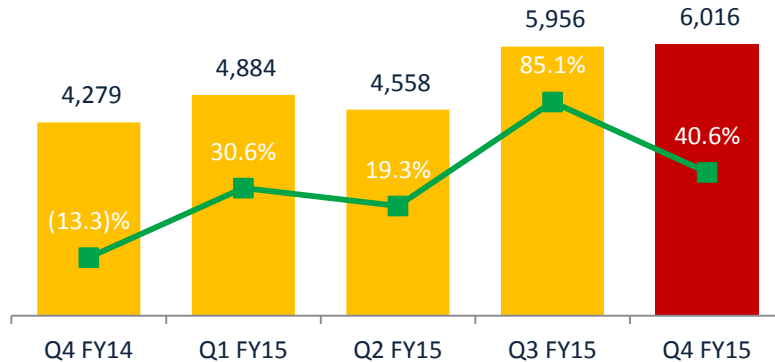


Note:
¹ EBITDA is Profit from ordinary activities before finance cost, depreciation, exceptional items and includes forex loss / (gain)

Financial Performance Trend

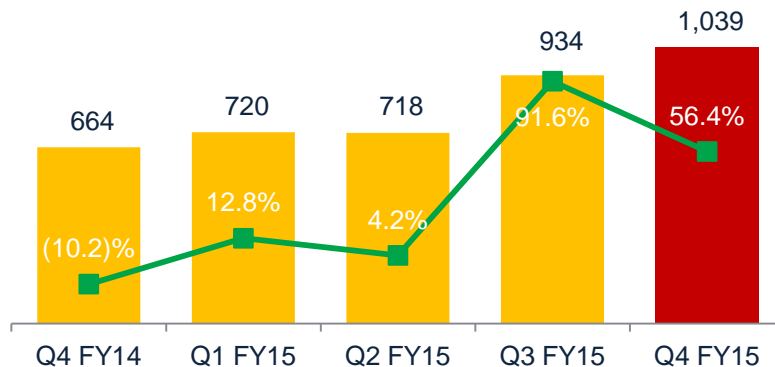


Volume (MT) and Y-o-Y Growth (%)



- Q4 FY2015 vs. Q4 FY2014
 - Domestic volumes increased by 11.9% to 3,270 MT
 - Export volumes increased by 102.3% to 2,746 MT
 - Stator frames sales was 162 compared to 73
- FY 2015 Vs. FY2014
 - Domestic volumes increased by 25.9% to 13,528 MT
 - Export volumes increased by 83.0% to 7,886 MT
 - Stator frames sales was 294 compared to 501

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

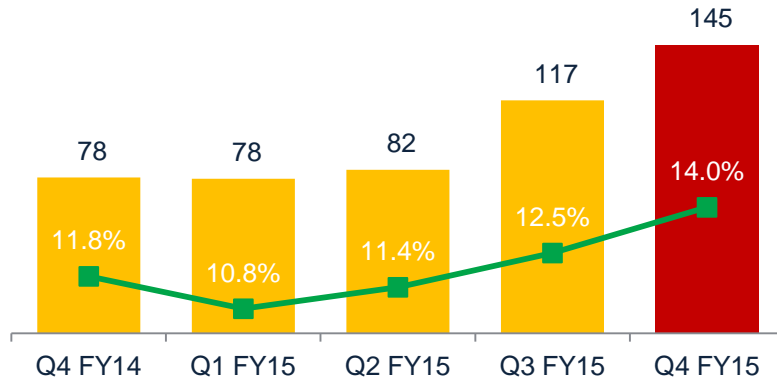


- Robust revenue growth was driven by improved domestic as well as export demand
- Q4 FY2015 vs. Q4 FY2014
 - Domestic sales increased by 13.3% to Rs. 417 million
 - Export sales increased by 106.8% to Rs. 605 million
- FY 2015 Vs. FY2014
 - Domestic sales increased by 21.8% to Rs. 1,711 million
 - Export sales increased by 60.9% to Rs. 1,657 million

Financial Performance Trend

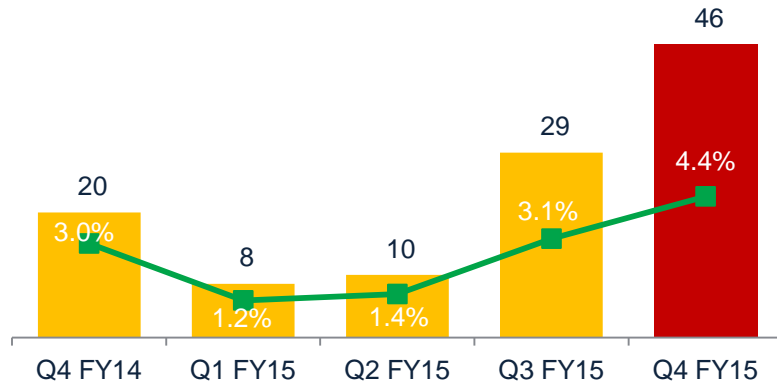


EBITDA¹ (Rs. mn) and Margin (%)



- Q4 FY2015 EBITDA increased by 85.1% y-o-y
 - This strong growth was primarily driven by improvement in the overall volumes
 - EBITDA margin for the quarter improved by 216 basis points compared to Q4 FY2014
- FY2015 EBITDA increased by 64.6% to Rs. 422 million with margin of 12.4%

PAT (Rs. mn) and Margin (%)



- Q4 FY2015 PAT increased by 134.7% y-o-y
 - This growth was primarily driven by better operating profit
 - PAT margin improved by 148 basis points compared to same period last year
- FY2015 PAT increased by 121.8% to Rs. 93 million
 - PAT margin increased by 104 basis points to 2.7%

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-Mar-2015	31-Dec-2014	31-Mar-2014
Long Term Debt	265	222	211
Short Term Debt	1,099	1,047	941
Total Debt	1,364	1,270	1,152
Less: Cash & Cash Equivalents	153	136	95
Net Debt / (Net Cash)	1,211	1,133	1,058
Net Worth	1,173	1,159	1,116
Net Debt / EBITDA (x)¹	2.9x	3.2x	4.1x
Total Debt / Net Worth (x)	1.2x	1.1x	1.0x

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

Note:

1. Based on LTM EBITDA

Corporate Developments

Awarded Best Supplier – Quality 2015 by GE

Pitti Laminations was awarded the '**Certificate of Excellence**' by GE. This certificate was awarded to the Company for being the '**Best Supplier – Quality 2015**'

This award is a testament to the Company's commitment to providing products with international quality standards to its customers









Other Developments

- The Board has declared final dividend of Rs. 0.625 per share (face value of equity share of Rs. 5)
- Completed the sub-division of nominal value of equity share from face value of Rs. 10 (Rupees ten only) to face value of Rs.5 (Rupees five only) effective from April 17, 2015

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

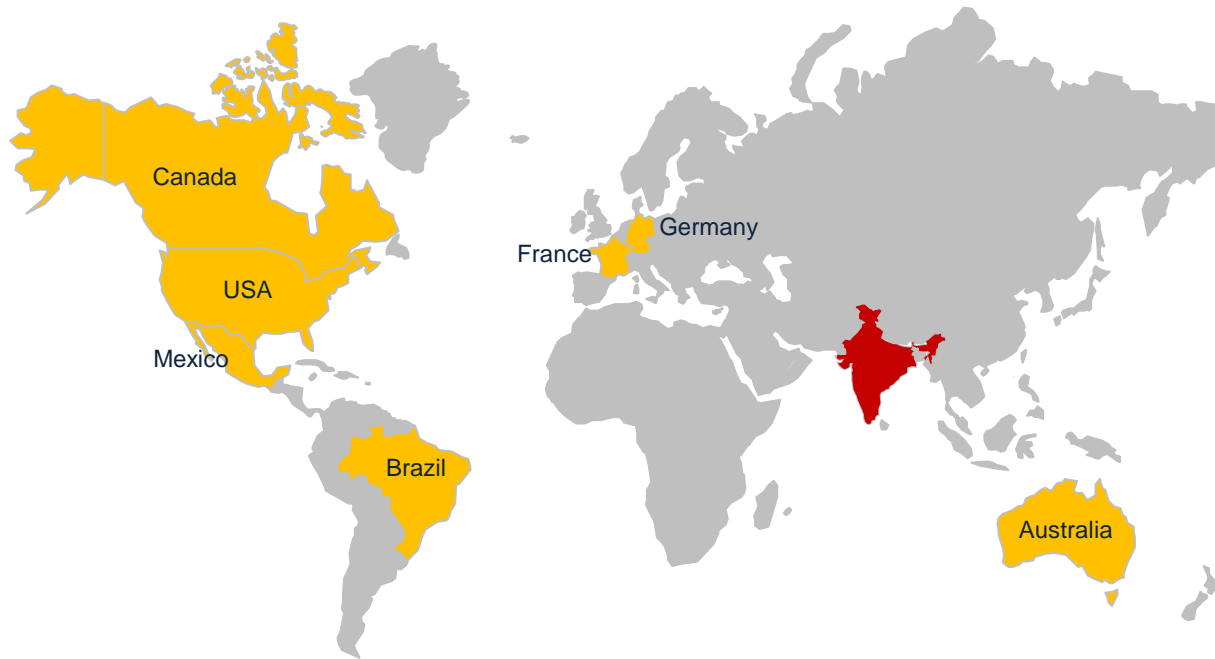


Note: Customers arranged in alphabetical order

Global Footprint



Geographically Diversified Customer Base



Facilities	Capacity
Lamination	32,000 MT
Machined Casting	3,000 Nos.

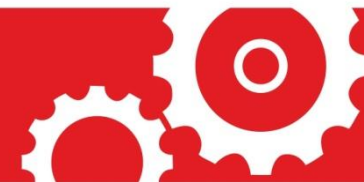


Indicates the location of manufacturing facilities



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 Narayana Rao	Businessman
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

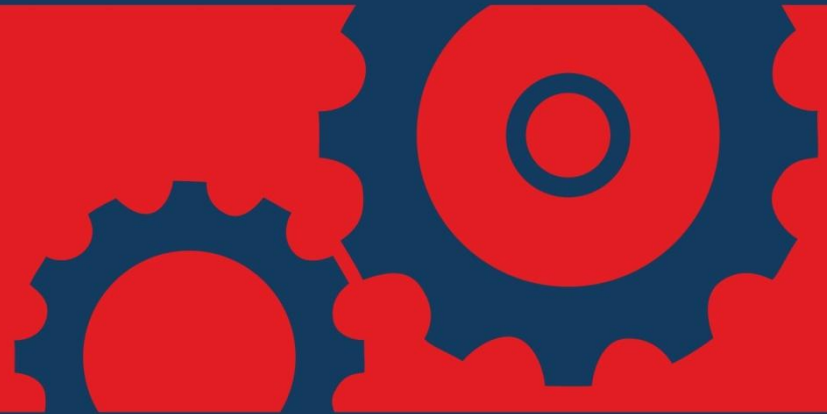
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