



— Since 1983 —

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q3 FY2018 Earnings Presentation

14 February 2018



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, February 16, 2018 at 4:00 PM IST

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	UK: 0 808 101 1573
	Singapore: 800 101 2045
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9M FY2018 vs. 9M FY2017

Net Revenue

Rs. 253.4 Crore
+25.7%

Domestic Revenue

Rs. 184 Crores
+41.9%

EBITDA

Rs. 36.0 Crore
+38.6%

PAT

Rs.8.5 Crore
+103.0%

Management Commentary

Mr. Akshay S Pitti

Vice Chairman and Managing Director



We are delighted to report a revenue growth of ~26% y-o-y in 9M FY2018. Our increasing focus on domestic business resulted in rise in domestic sales to 41.9% y-o-y in 9M 2018. Despite a production loss of about 30 working days during the shifting of Pune and Hyderabad Plant 1 facilities to Aurangabad in Q3 FY2018, we have reported marginal year-on-year revenue growth in Q3 FY2018. This has been achieved through a better operational efficiencies.

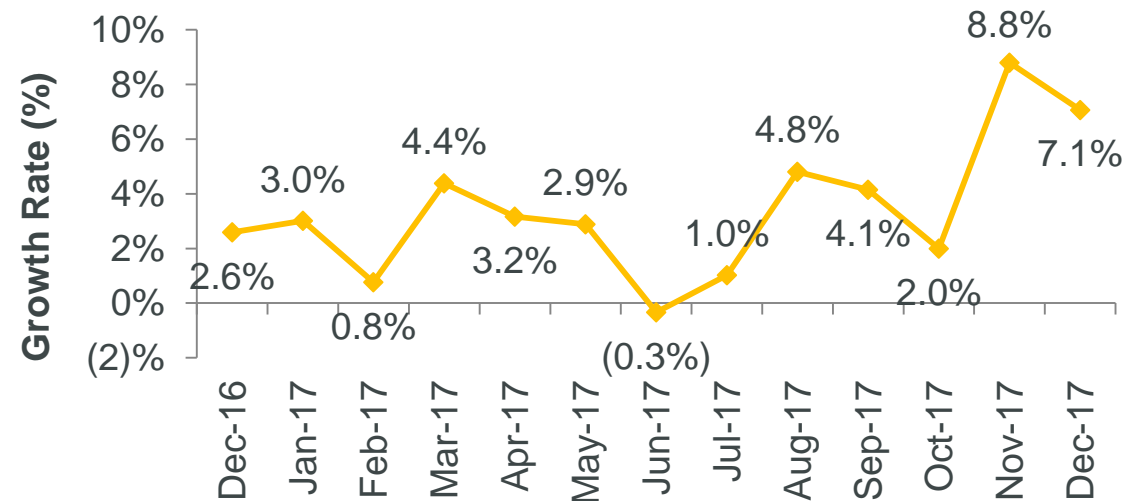
Our new facility at Aurangabad has started the operation in January 2018 and is expected to contribute meaningfully from Q4 FY2018. Moreover, we have received in principal approval from stock exchanges for allotment of equity shares by conversion of unsecured loan of Rs. 25.6 Crores and issue of share warrants to the promoters for the balance Rs. 20 Crores.

Strong order book, long standing association with customers coupled with strategically located new facility gives us the confidence that Pitti Laminations is well positioned to capitalise on the upturn in the markets.

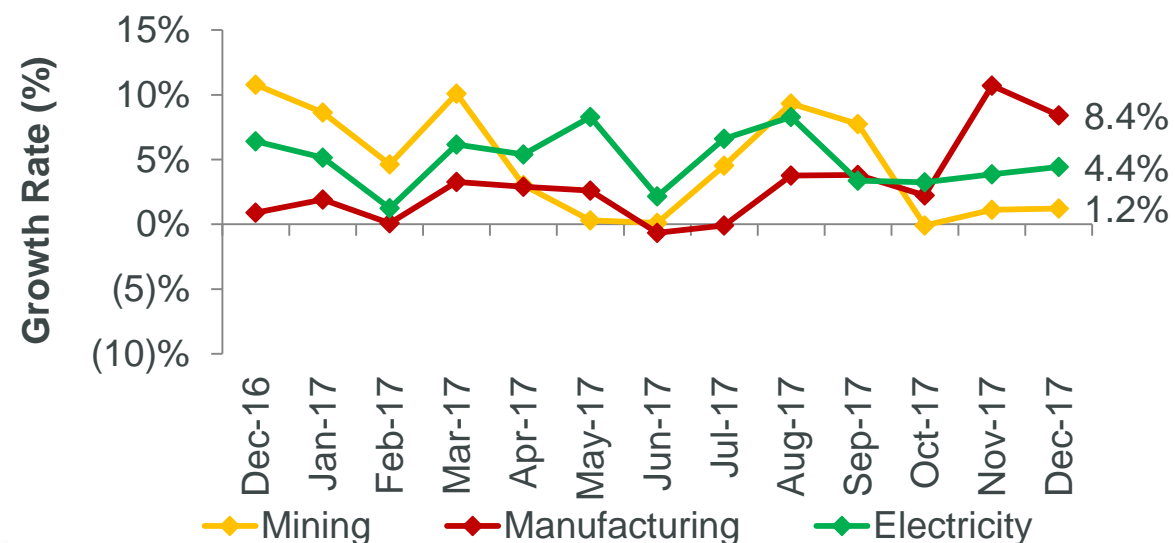
Economy and Industry Update

Macroeconomic Indicators

IIP



IIP – Use Based



Commentary

- Index of Industrial Production (IIP) grew by 7.1% in December 2017 on account of robust performance by manufacturing as well as capital goods and non-durable consumer good
- Manufacturing output rose 8.4% y-o-y, electricity generation up 4.4% y-o-y, while mining output increased by 1.2% y-o-y
- Cumulative IIP growth for the period April-December 2017 over the corresponding period of the previous year stands at 3.7%
- Capital goods output rose 16.4% in December compared with 9.8% in November

Financial Summary

(Rs. Crore, unless stated)

Particulars	Q3		y-o-y Growth (%) (%)	Q2		q-o-q Growth (%) (%)	Nine months		y-o-y Growth (%) (%)
	FY2018	FY2017		FY2018			FY2018	FY2017	
Sales Volume (MT)	3,998	5,005	(20.1)%	4,540		(11.9)%	13,433	13,829	(2.9)%
Net Revenue	77.3	76.9	0.5%	84.0		(7.9)%	253.4	201.7	25.7%
EBITDA¹	11.2	9.3	20.7%	12.3		(9.2)%	36.0	26.0	38.6%
Margin (%)	14.5%	12.1%		14.7%			14.2%	12.9%	
Profit After Tax	2.7	2.6	4.0%	3.3		(20.0)%	8.5	4.2	103.0%
Margin (%)	3.5%	3.3%		4.0%			3.4%	2.1%	
Total Comprehensive income	2.9	2.8	3.6%	3.9		(24.1)%	9.3	5.0	86.0%
Basic EPS (Rs.)	1.09	1.05		1.44			3.45	1.85	

Performance Discussion (Y-o-Y)

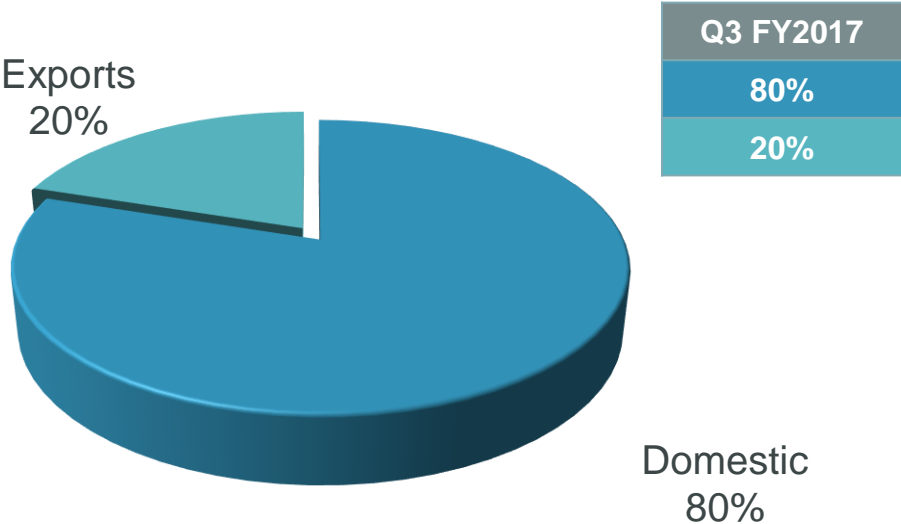
- Total volume declined 20.1% y-o-y due to a production loss of about 30 working days during the shifting of Pune and Hyderabad Plant 1 facilities to Aurangabad in Q3 FY2018. However, due to increased capacity of machine shop in Plant 4 Hyderabad, we are able to maintain revenue at the similar level for YoY basis
- EBITDA margin during the quarter increased by 242 basis points to 14.5% from 12.1% in Q3 FY2017
- Net profit increased by 4% y-o-y on account of better operating efficiencies

Note:

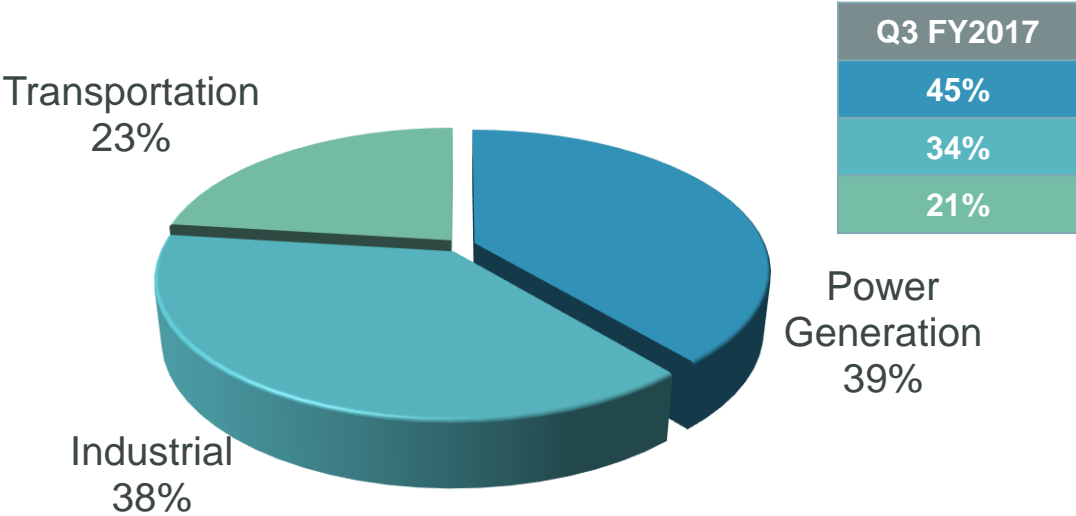
1. EBITDA is Profit from ordinary activities before finance cost, depreciation and exceptional items

Operational Performance – Q3 FY2018

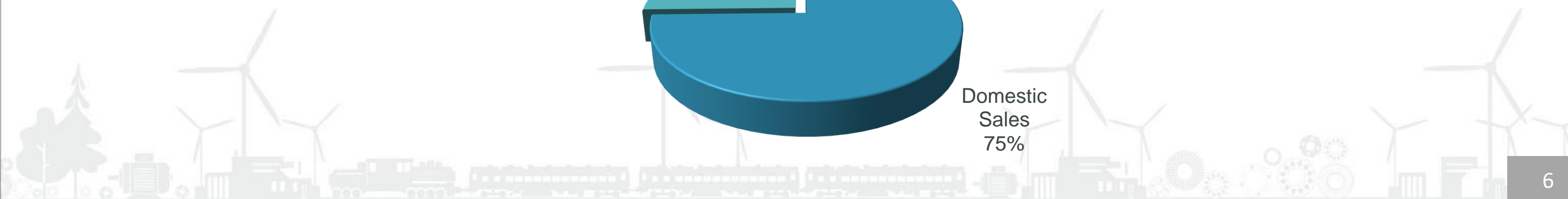
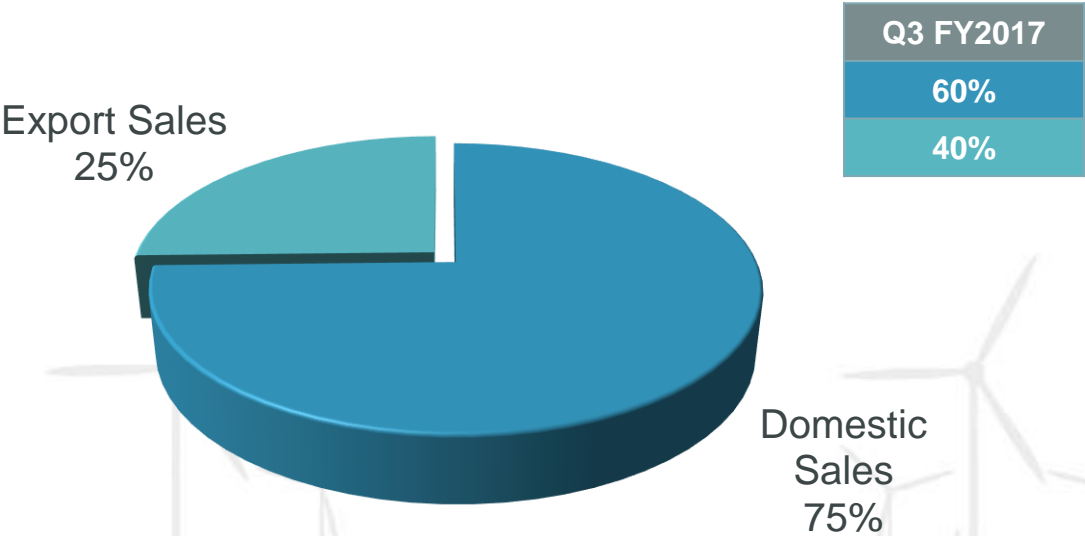
Q3 FY2018 Volume Break-up (3,998 MT)



Q3 FY2018 Volume by End Market (3,998 MT)

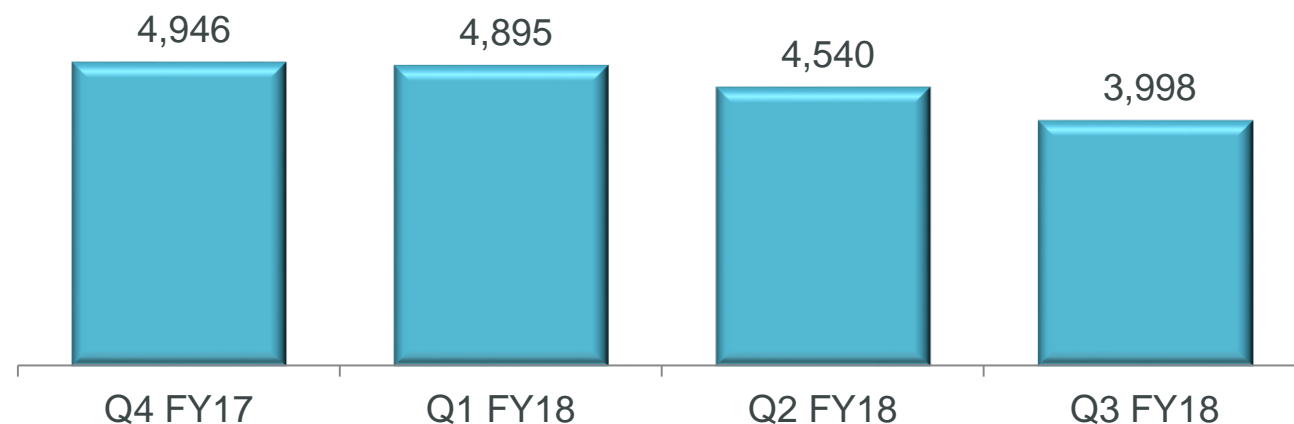


Q3 FY2018 Revenue Break-up (Rs. 77.3 Crore)

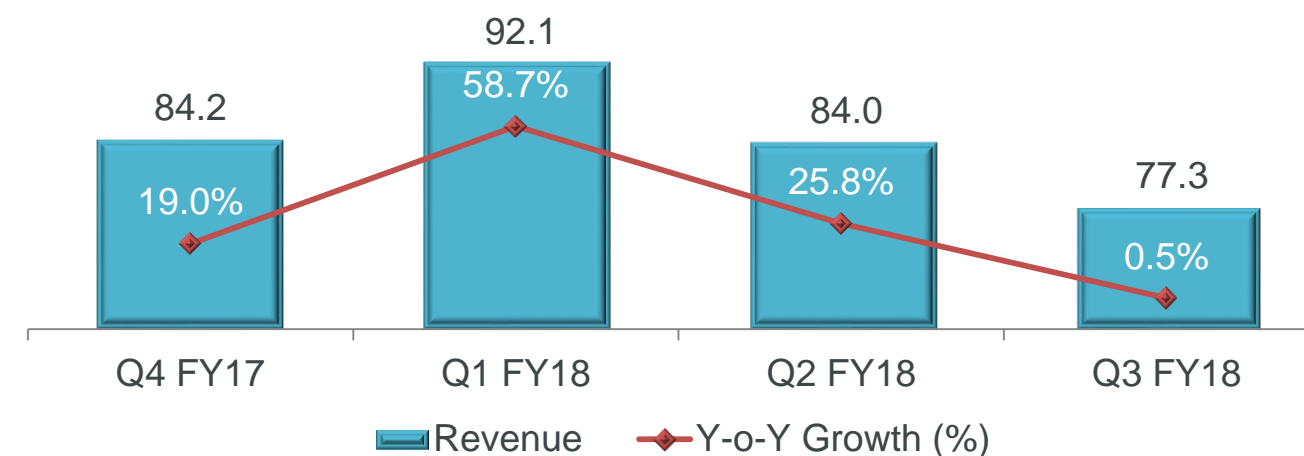


Financial Performance Trend

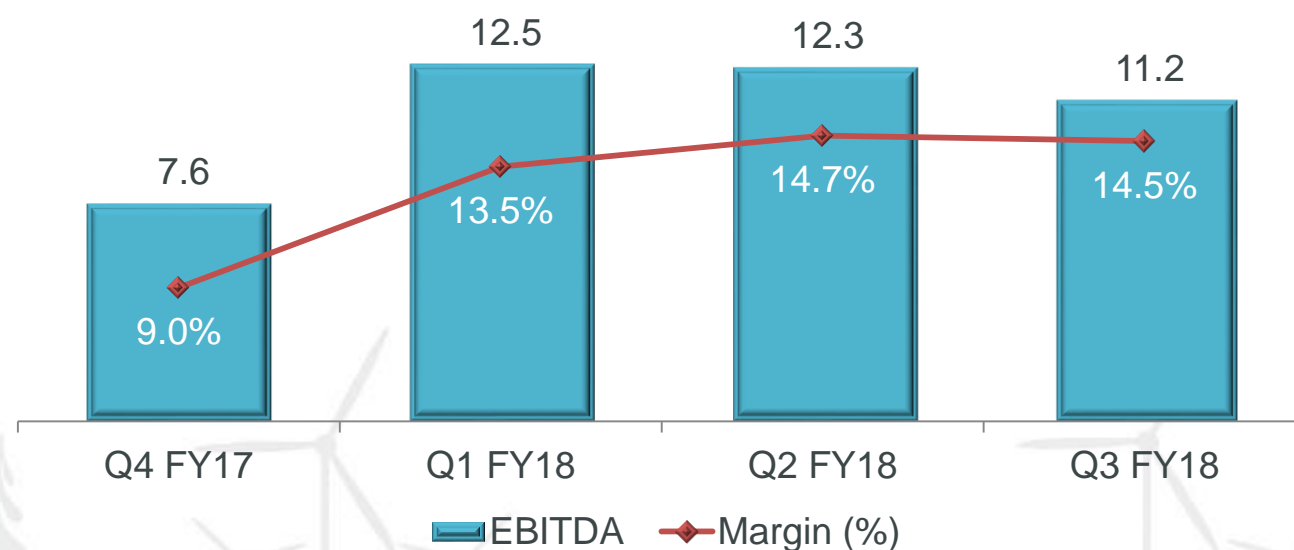
Total Volumes (MT)



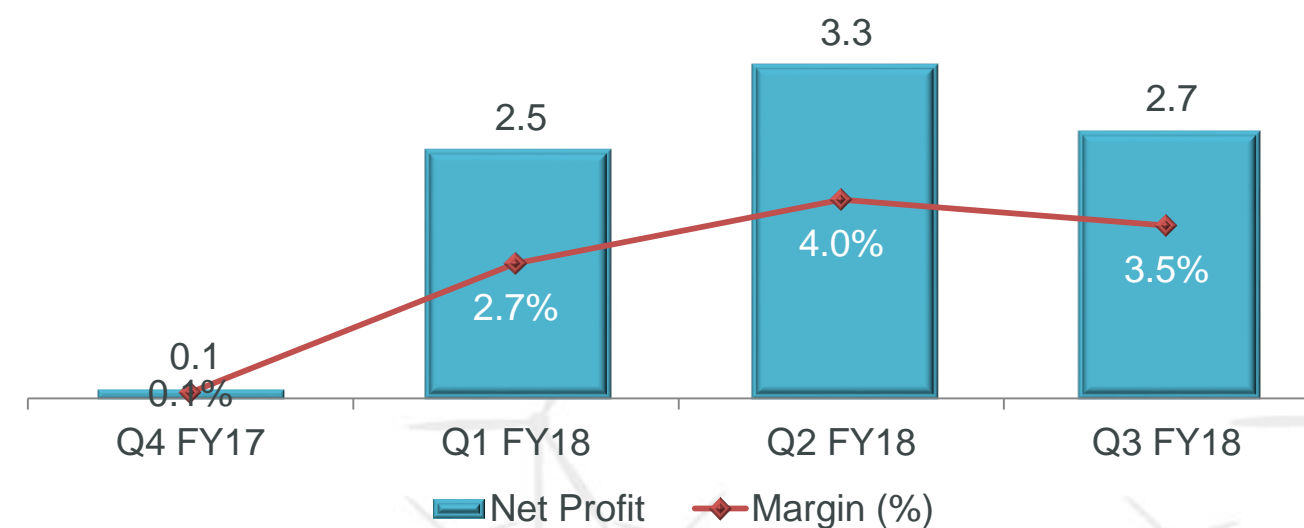
Net Revenue (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)

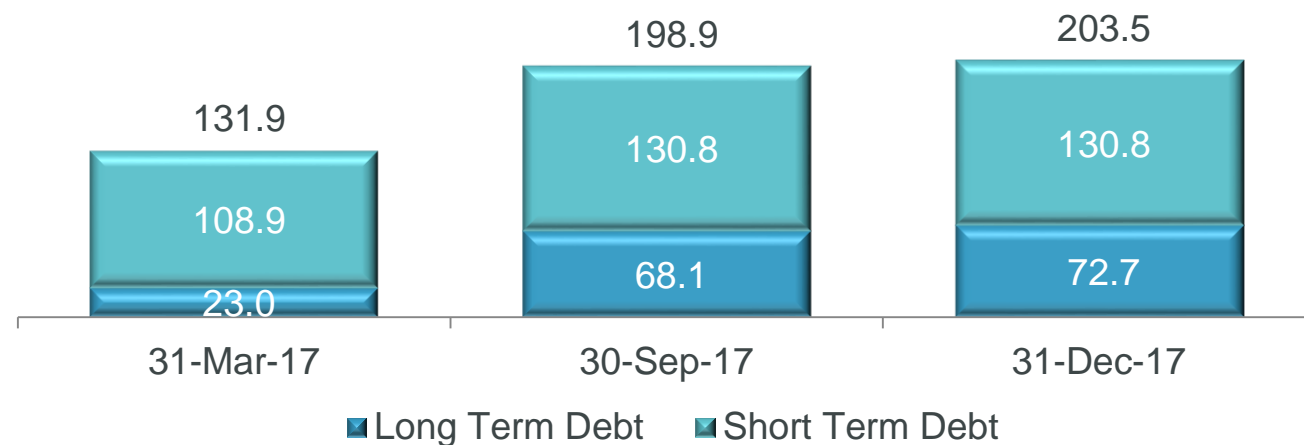


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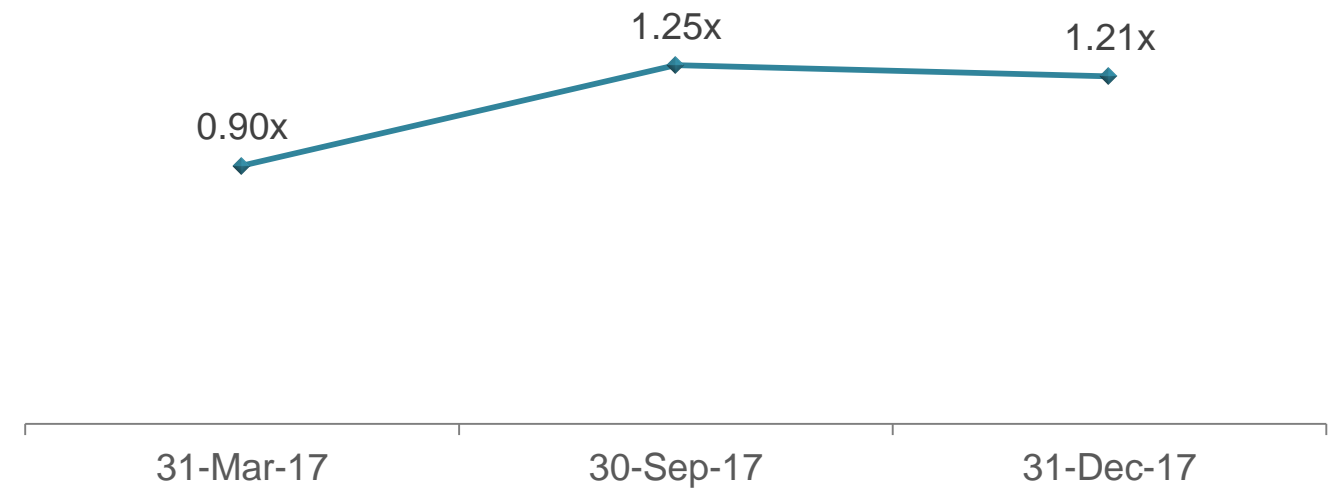
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Leverage Profile

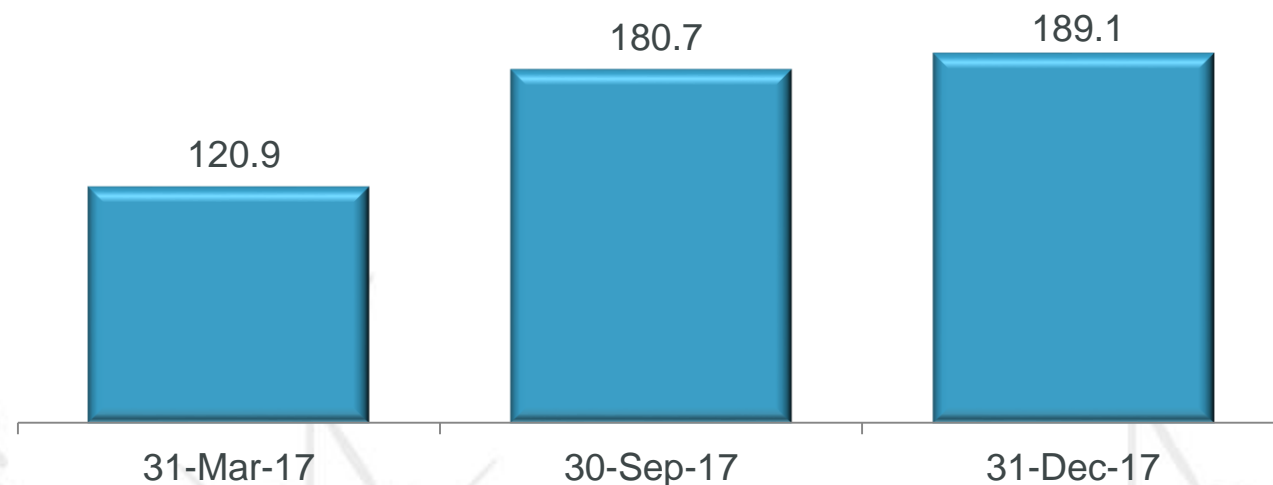
Debt (Rs. Crore)



Total Debt / Equity (x)



Net Debt (Rs. Crore)



- 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, Rs. 40.3 Crore and Rs. 46.3 Crore for Q4 FY2017, Q1 FY2018, Q2 FY2018 and Q3 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

Aurangabad Project

- Operations started in January 2018
- 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

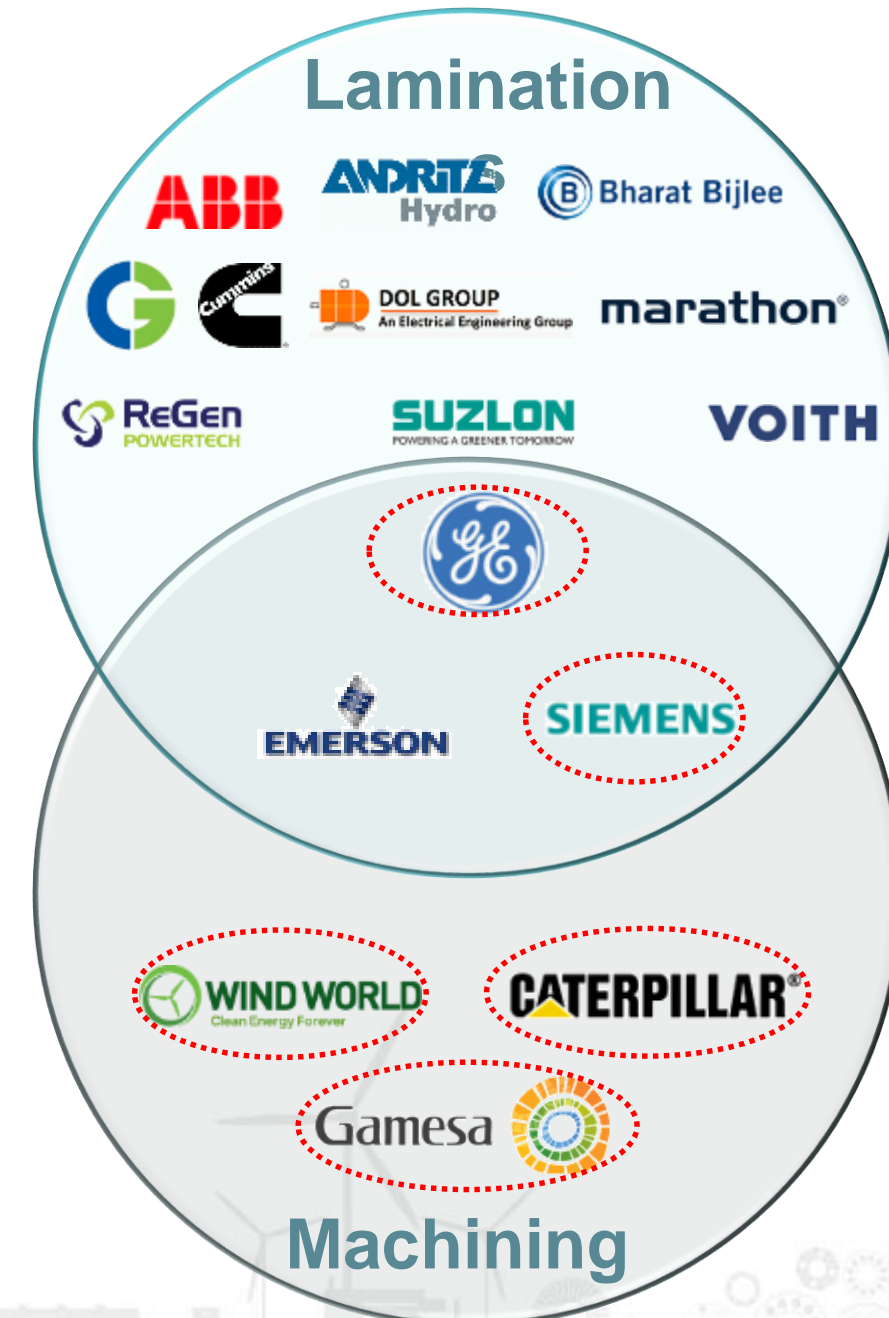
India's only end-to-end product and service provider in the electrical lamination segment

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

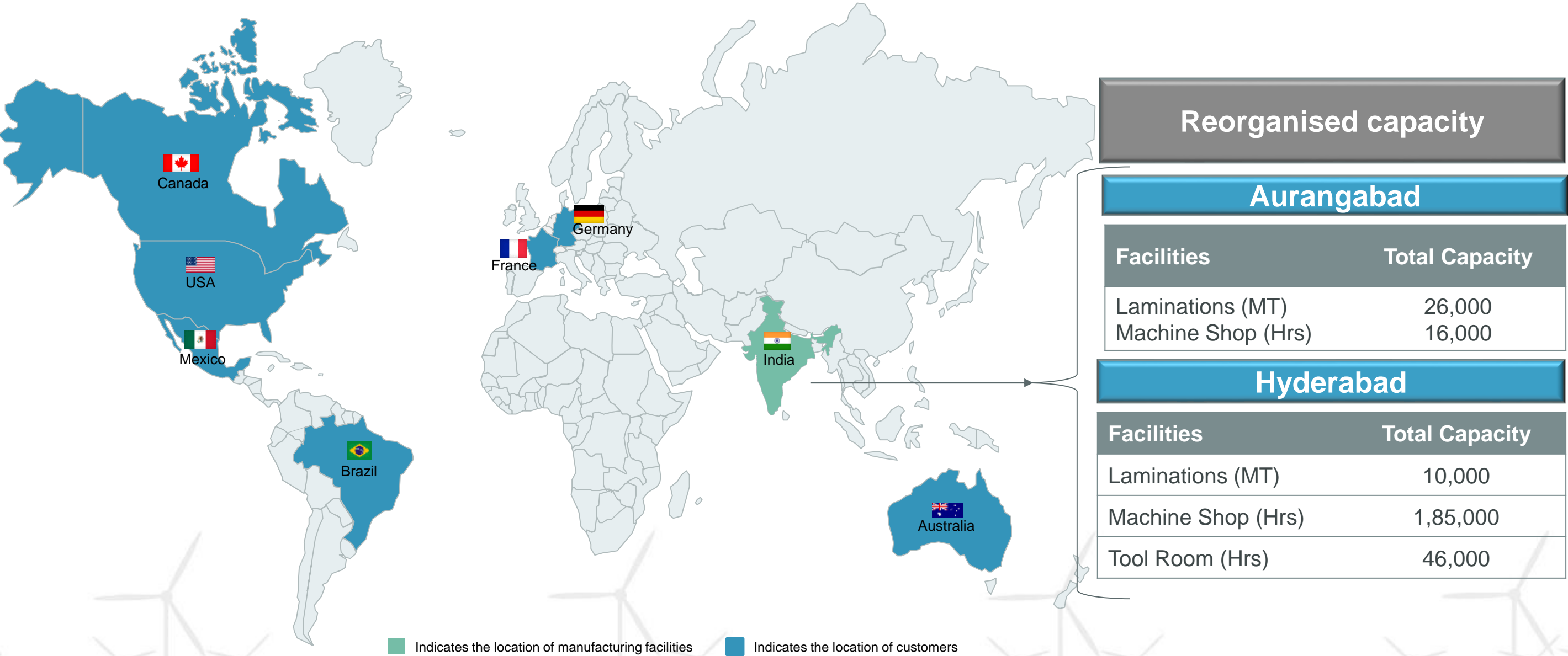


Indicates end customers of Pitti Castings for whom work is executed by Pitti Laminations' machining division; GE and Emerson are also direct customer of Pitti Laminations' machining division

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
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



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