



Pitti Engineering Limited

INVESTOR PRESENTATION

Q3 - FY23

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Management Commentary



Pitti Engineering Limited had a positive financial growth in the Q3 FY2023.

The Company has recorded a net profit of ₹ 12.13 crore indicating a year-on year growth by 4.57% against a revenue of ₹ 239.08 crore.

Our EBITDA recorded 13.24% year-on-year growth.

The construction of new sheds and other expansion related work is on track and we expect to meet our earlier announced deadline of completion of the capex by the end of Q2FY24.

Steps taken to reduce working capital requirements by inventory optimization have started yielding tangible benefits

We as a Company have developed laminations which serve dual purpose of power generation and water pumping. It is because of our sincere service to our customers that we also bagged prestigious order for making shafts.

The demand outlook for FY24 remains strong and we expect to post about 20% volume growth next year.



Sectoral update



Key macroeconomic indicators

- Indian economy is projected to have grown by 7% in FY23 and is expected to grow to 6.4% in FY24.
- Inflation is now moderating, coming down from record high levels witnessed at the beginning of 2022.
- Consumer demand and industrial output is gradually recovering. However, rising input costs remain a challenge to overcome.
- High frequency indicators such as GST collections, power consumptions, railway freight and air traffic are growing significantly.



Budget Highlights

- Significant hike in the capital expenditure of Union Government - increased capital investment allocation by 33.40% to INR 10 lakh crore - is expected to add further impetus for business growth.
- The highest ever capital outlay of Rs 2.4 lakh crore for the Indian Railways - will benefit our business both directly and indirectly.
- The Production Linked Initiative (PLI) Scheme for domestic production of specialty steel with an outlay of ₹6,322 crore is approved by the Indian government and will take effect in FY23–24.



Quarterly highlights

- ✓ Revenue of ₹ 239.08 Crores in Q3FY23 – down by 9.94% on YoY basis
- ✓ EBDITA of ₹ 38.82 Crores in Q3FY23- up by 13.24% on YoY basis
- ✓ PAT of ₹ 12.13 Crores in Q3FY23- up by 4.57% on YoY basis

Revenue de-growth in absolute terms during the quarter is on account of softening of raw material costs, while we have growth in sales volumes on YoY basis to 9,150 MT as compared to 8,542 MT in Q3FY22

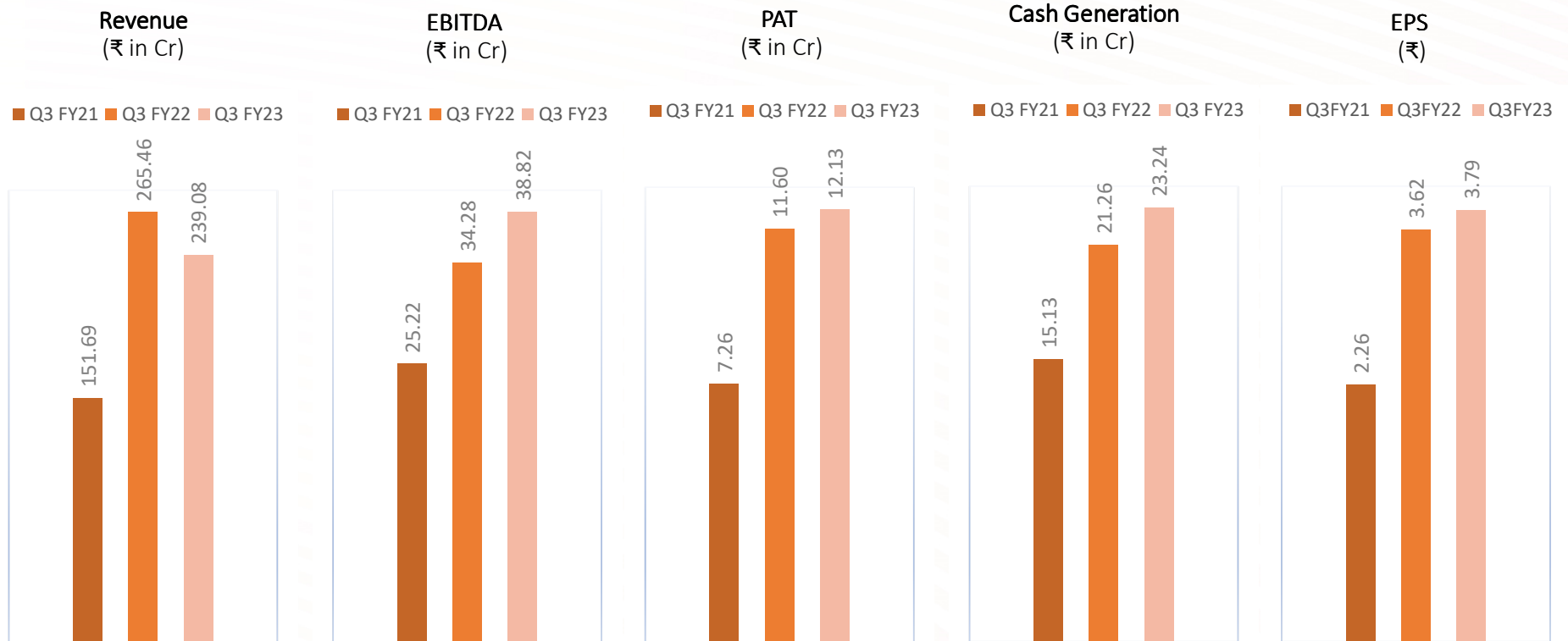
Q3 - Key performance indicators



(₹ in Cr)

Particulars	Revenue	EBITDA	PAT
Q3 FY23	239.08	38.82	12.13
Q3 FY22	265.46	34.28	11.60
Year-on-Year	(9.94)%	13.24%	4.57%
Q3 FY21	151.69	25.22	7.26

Q3 - Key performance indicators



Q3 - Performance snapshot



(₹ in Cr)

Particulars	Q3 FY23	Q3 FY22	YoY change	Q3 FY21
Revenue from operations	237.96	264.83	(10.15)%	151.32
Other income	1.12	0.63	77.78%	0.37
Total Income / Revenue	239.08	265.46	(9.94)%	151.69
RM consumed & Change in Inventory	159.04	193.92	(17.99)%	96.90
Employee costs	21.69	19.70	10.10%	16.02
Consumables	3.06	4.86	(37.01)%	2.99
Power & Fuel	2.49	1.84	34.84%	1.75
Other expenses	12.86	10.23	33.33%	8.44
EBITDA excl. other income	38.82	34.28	13.24%	25.22
EBITDA / tonne (₹)	42,428	40,128	5.73%	37,786

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Q3 - Performance snapshot



(₹ in Cr)

Particulars	Q3 FY23	Q3 FY22	YoY change	Q3 FY21
EBITDA excl. other income	38.82	34.28	13.24%	25.22
Other income	1.12	0.63	77.78%	0.37
Finance costs	11.99	9.88	21.36%	7.68
Depreciation and amortisation	11.00	9.43	16.65%	7.79
Tax expenses	4.82	4.00	20.50%	2.86
PAT	12.13	11.60	4.57%	7.26
Other Comprehensive Income	0.11	0.23	(52.17)%	0.08
Total Comprehensive Income	12.24	11.83	3.47%	7.34
Earnings per share (₹)	3.79	3.62	4.68%	2.26

Q3 - Operational highlights

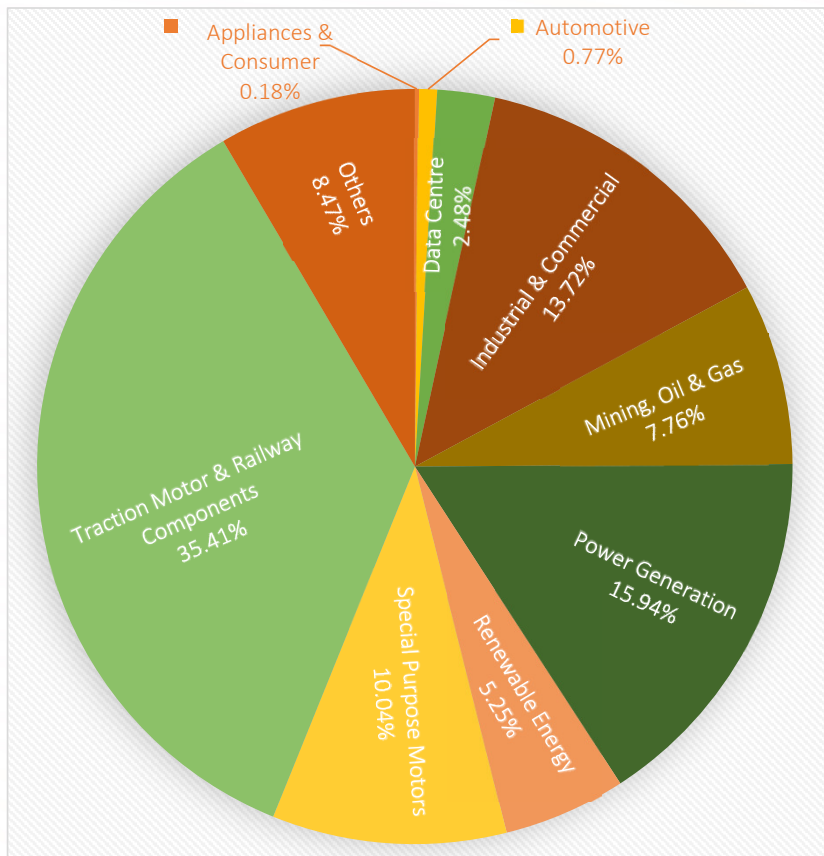


Annual Capacity as at the quarter end	Q3 FY23	Q3 FY22	YoY Change	Q3 FY21
Sheet Metal – MTs	50,200	41,000	22.44%	36,000
Machining - Hours	4,03,200	3,77,196	6.89%	3,62,800
Capacity utilisation for the quarter				
Sheet Metal	66.25%	83.90%	NA	80.62%
Machining	85.35%	95.20%	NA	85.35%
Sales in MT for the quarter				
Loose laminations	2,501	2,719	(8.02)%	1,802
Assembled & Valued-added	6,649	5,823	14.19%	4,872
Total	9,150	8,542	7.12%	6,674
Sales Realization / EBITDA				
Blended Sales Realization (₹ per MT)	2,60,065	3,10,036	(16.12)%	2,26,733
Blended EBIDTA (₹ per MT)	42,428	40,128	5.73%	37,786

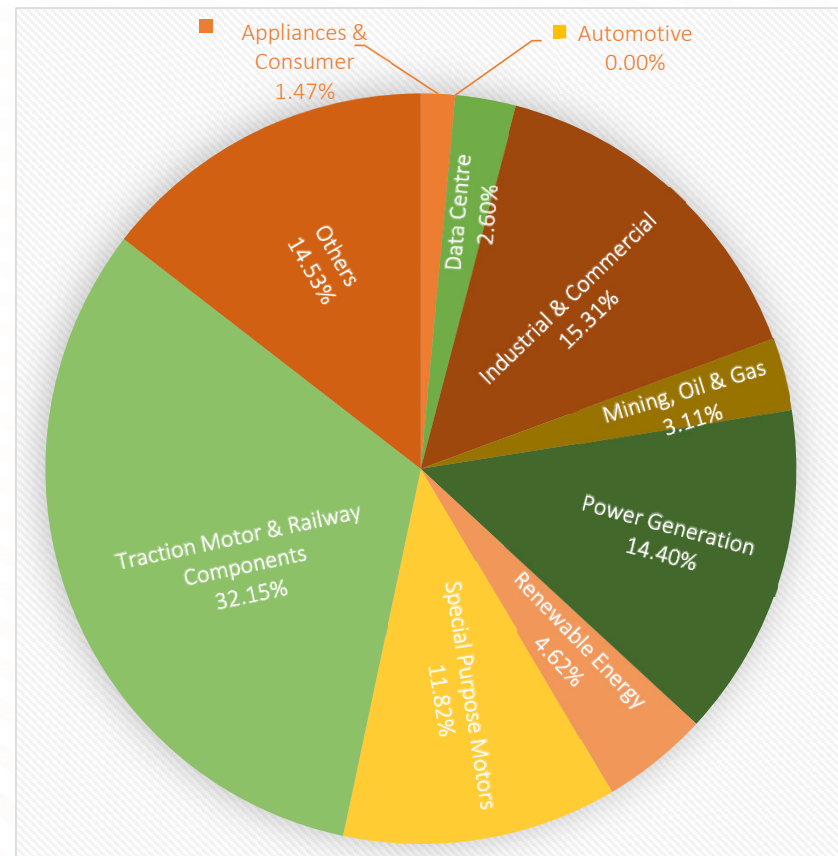
The lower blended sales realization during Q3FY23, as compared to Q3FY22 is on account of softening of raw material costs

Q3 - End-user application revenue breakup

Q3 FY23



Q3 FY22



Q3 - End-user application revenue breakup



(₹ in Cr)

Applications	Q3 FY23		Q3 FY22	
	Revenue	% of Revenue	Revenue	% of Revenue
Appliances & Consumer	0.43	0.18	3.89	1.47
Automotive	1.83	0.77	-	-
Data Centre	5.92	2.48	6.91	2.60
Industrial & Commercial	32.79	13.72	40.64	15.31
Mining, Oil & Gas	18.56	7.76	8.25	3.11
Power Generation	38.11	15.94	38.22	14.40
Renewable Energy	12.54	5.25	12.26	4.62
Special Purpose Motors	24.00	10.04	31.39	11.82
Traction Motor & Railway Components	84.65	35.41	85.34	32.15
Others	20.25	8.47	38.56	14.53
Grand Total	239.08	100%	265.46	100%

9M FY23 highlights

- ✓ Revenue of ₹ 854.67 Crores for 9M FY23 - up by 24.99% on YoY basis
- ✓ EBDITA of ₹ 110.83 Crores for 9M FY23 – up by 13.93% on YoY basis
- ✓ PAT of ₹ 33.99 Crores for 9M FY23 – up by 5.85% on YoY basis

9M - Key performance indicators



(₹ in Cr)

Particulars	Revenue	EBITDA	PAT
9M FY23	854.67	110.83	33.99
9M FY22	683.81	97.28	32.11
Year-on-Year	24.99%	13.93%	5.85%
9M Q3 FY21	349.15	51.33	7.57

9M - Key performance indicators



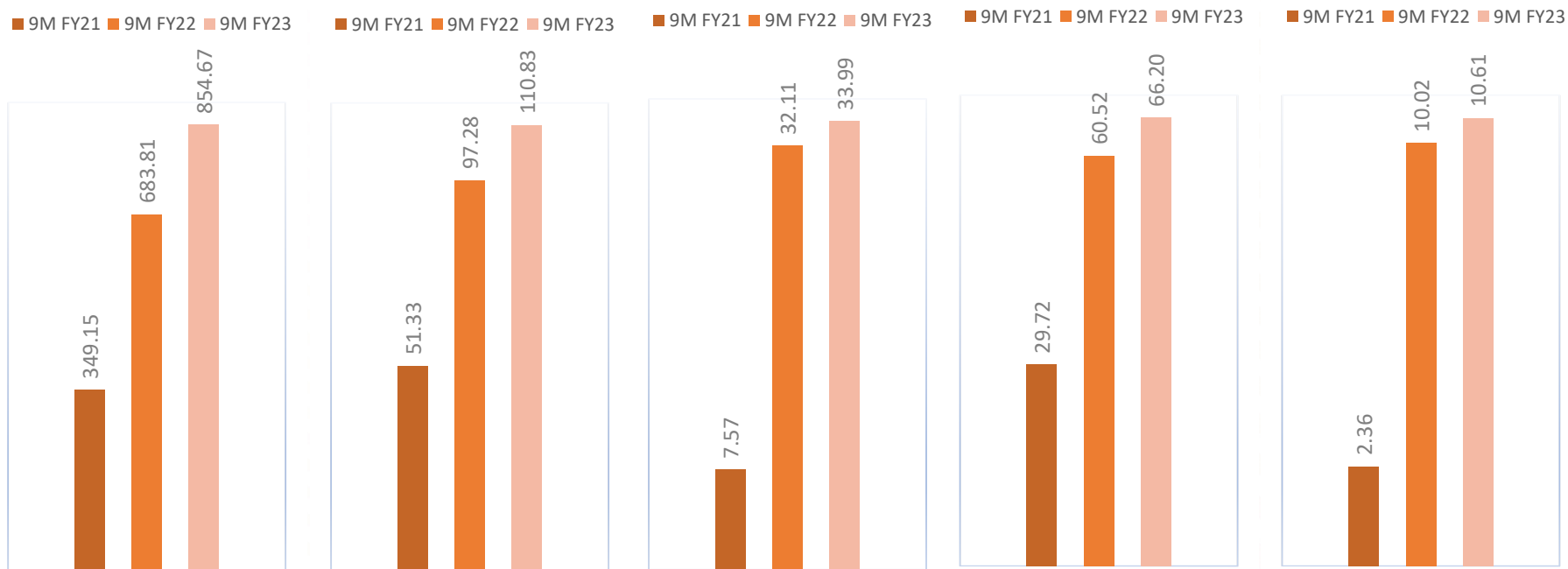
Revenue
(₹ in Cr)

EBITDA
(₹ in Cr)

PAT
(₹ in Cr)

Cash Generation
(₹ in Cr)

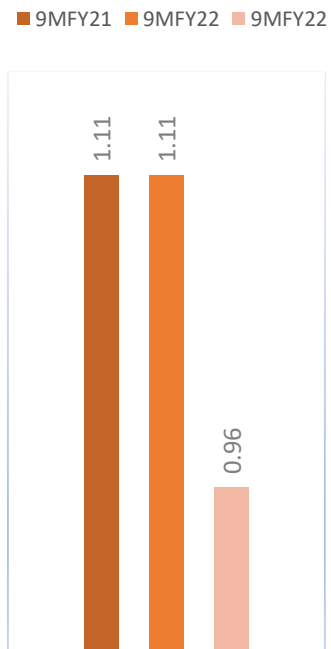
EPS
(₹)



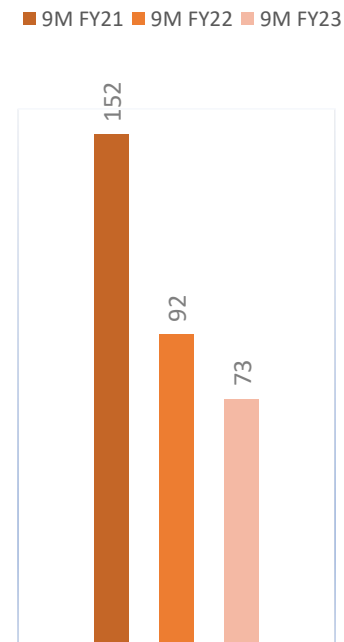
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9M - Key performance indicators

DE Ratio



Working Capital Days



9M - Performance snapshot



(₹ in Cr)

Particulars	9M FY23	9M FY22	YoY change	9M FY21
Revenue from operations	852.67	682.44	24.94%	347.82
Other income	2.00	1.37	45.99%	1.33
Total Income / Revenue	854.67	683.81	24.99%	349.15
RM consumed & Change in Inventory	613.33	478.42	28.20%	223.68
Employee costs	66.26	58.18	13.89%	38.90
Consumables	13.10	13.37	(2.04)%	7.12
Power & Fuel	7.77	5.93	31.13%	4.35
Other expenses	41.38	29.26	41.42%	22.44
EBITDA excl. other income	110.83	97.28	13.93%	51.33
EBITDA / tonne (₹)	41,501	41,749	(0.60)%	34,788

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9M - Performance snapshot



(₹ in Cr)

Particulars	9M FY23	9M FY22	YoY change	9M FY21
EBITDA excl. other income	110.83	97.28	13.93%	51.33
Other income	2.00	1.37	45.99%	1.33
Finance costs	34.73	27.31	27.17%	20.49
Depreciation and amortisation	31.89	27.73	15.00%	21.92
Tax expenses	12.22	11.50	6.26%	2.68
PAT	33.99	32.11	5.85%	7.57
Other Comprehensive Income	0.32	0.68	(52.94)%	0.23
Total Comprehensive Income	34.31	32.79	4.64%	7.80
Earnings per share (₹)	10.61	10.02	5.89%	2.36

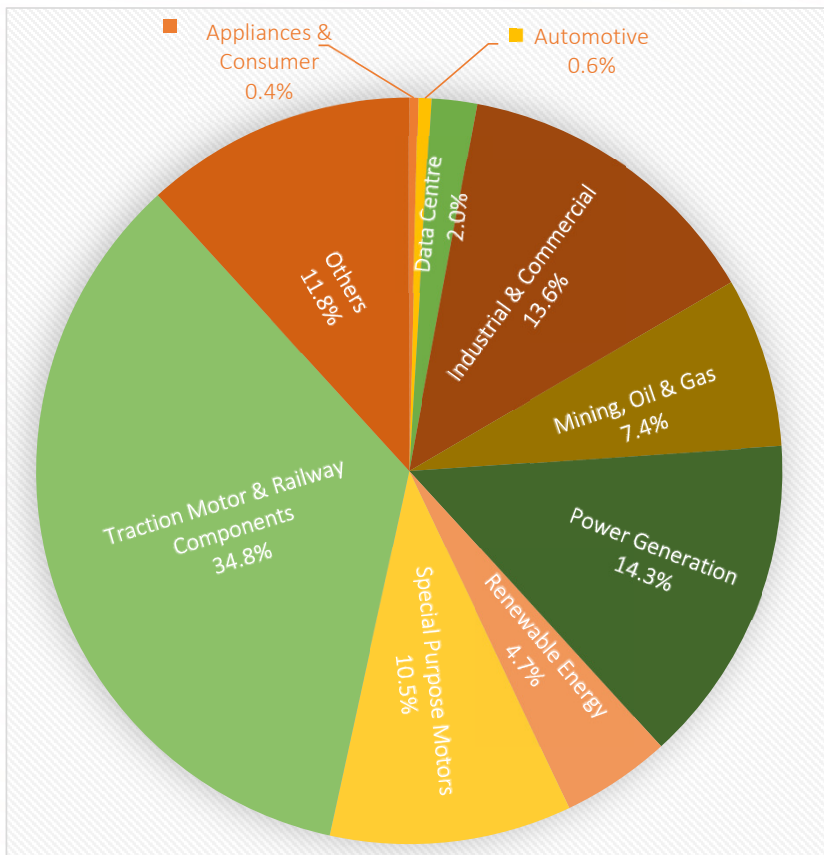
9M - Operational highlights

Annual Capacity as at the 9M	9M FY23	9M FY22	YoY change	9M FY21
Sheet Metal – MTs	50,200	41,000	22.44%	36,000
Machining – Hours	4,03,200	3,77,196	6.89%	3,62,800
Capacity utilisation for the 9M				
Sheet Metal	70.39%	77.02%	NA	55.95%
Machining	82.21%	88.25%	NA	69.92%
Sales in MT for the 9M				
Loose laminations	6,824	7,062	(3.37)%	4,089
Assembled & Valued-added	19,882	16,236	22.46%	10,666
Total	26,706	23,298	14.63%	14,755
Sales Realization / EBITDA				
Blended Sales Realization (₹ per MT)	3,19,281	2,92,916	9.00%	2,35,730
Blended EBIDTA (₹ per MT)	41,501	41,749	(0.60)%	34,788

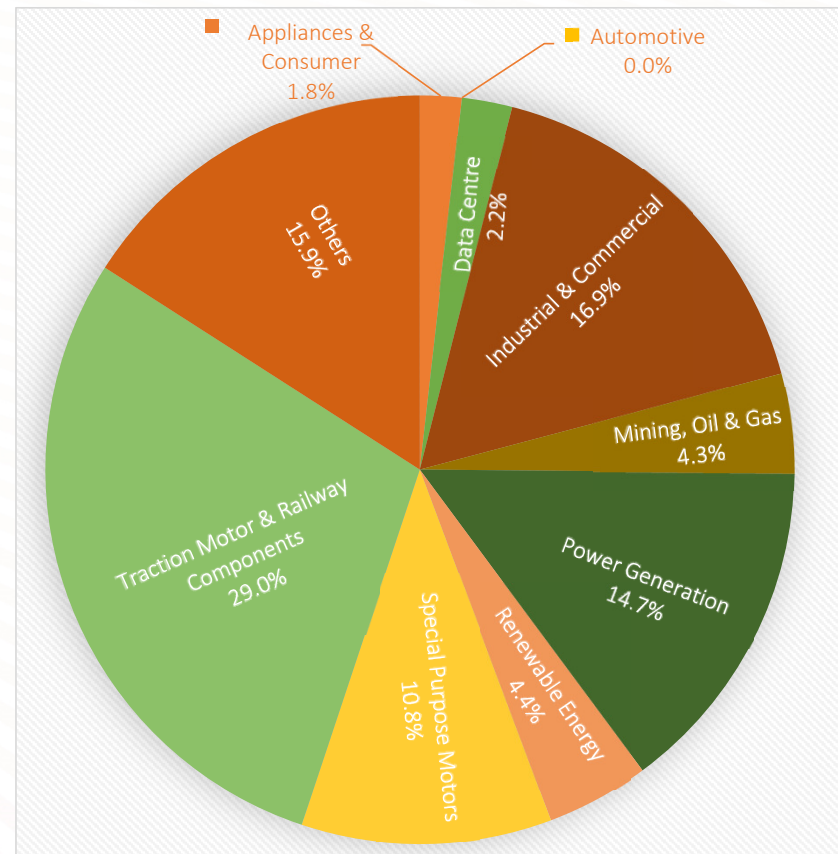
9M - End-user application revenue breakup



9M - FY23



9M - FY22

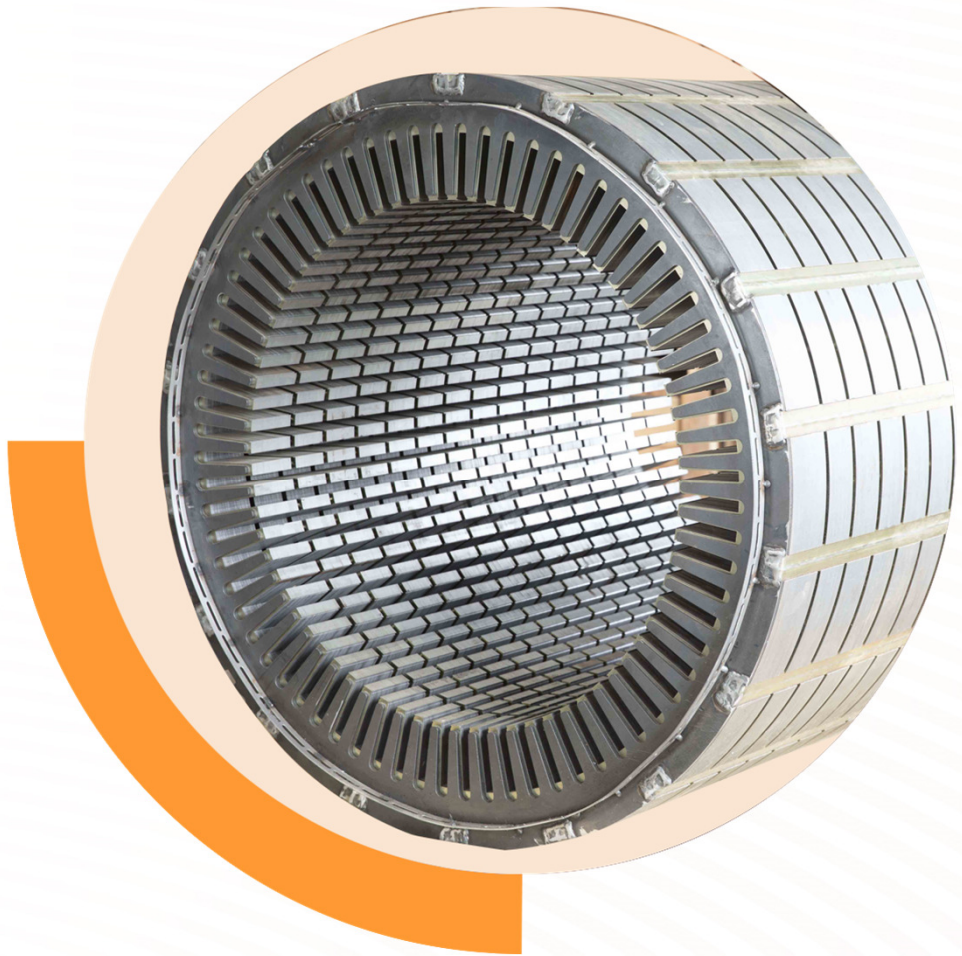


9M - End-user application revenue breakup



(₹ in Cr)

Applications	9M - FY23		9M - FY22	
	Revenue	% of Revenue	Revenue	% of Revenue
Appliances & Consumer	3.35	0.39%	12.32	1.80%
Automotive	4.80	0.56%	-	-
Data Centre	16.86	1.97%	14.87	2.17%
Industrial & Commercial	116.60	13.64%	115.49	16.89%
Mining, Oil & Gas	62.83	7.35%	29.19	4.27%
Power Generation	122.13	14.29%	100.62	14.71%
Renewable Energy	40.46	4.73%	30.40	4.45%
Special Purpose Motors	89.56	10.48%	73.98	10.82%
Traction Motor & Railway Components	297.51	34.81%	198.06	28.96%
Others	100.57	11.77%	108.88	15.92%
Grand Total	854.67	100.00%	683.81	100.00%



Corporate overview

Delivering engineering excellence

As one of the leading engineering companies, we are focused on manufacturing value-added and assembled components through machining and lamination process for several downstream industries in India and international markets.

One of the

Largest

Manufacturers and exporters of electrical laminations in India

A leading supplier

To all motor manufacturers in India

One of the

Market leader

of assemblies for large alternators and motors in India

Unique product offerings

Assembled stators & rotors, machined castings, machined fabricated parts, shafts, tools & fixtures

Focused on the long-term



Financial



Operational



Sustainable

20.51%
*5-year CAGR Revenue

3
State-of-the-art manufacturing plants

Vertically integrated
Manufacturing process

19.43%
*5-year CAGR EBITDA

11
Countries of export presence

Diverse
Product portfolio catering to several downstream industries

35.69%
*5-year CAGR PAT

₹ 565.34 Cr
Revenue from domestic operations
₹ 289.33 Cr
Revenue from exports

Long term relationship
Customers & Vendors

25.48%
*5-year CAGR
Cash Generation

₹ 824 Cr
Order book
as on Dec 31, 2022

0.96
Debt/ Equity
As on Dec 31, 2022

*5-year CAGR is calculated from FY 2018 to FY 2022

Industries we serve



Appliances



Cement



Construction



Data Centres



DG sets



Electrical vehicle motor



Freight rail



Hydro generations



Lift irrigations



Medical equipment



Mining



Mass urban transport



Other industries



Oxygen plants



Pumps



Passenger rail



Steel



Sugar



Thermal power



Wind mill generations



Wind mill

Serving leading brands



Contact us



For further information visit www.pitti.in

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