

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q1 FY2016 Earnings Presentation

10 August 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



Q1 FY2016 vs. Q1 FY2015

Total Volume

5,107 MT

+4.6%

Domestic Volume

3,224 MT

(5.2)%

Export Volume

1,884 MT

+26.9%

Net Revenue

Rs. 857 mn

+19.0%

EBITDA

Rs. 94 mn

+21.1%

PAT

Rs. 15 mn

+77.9%

Note: Above figures are rounded off

Performance Highlights



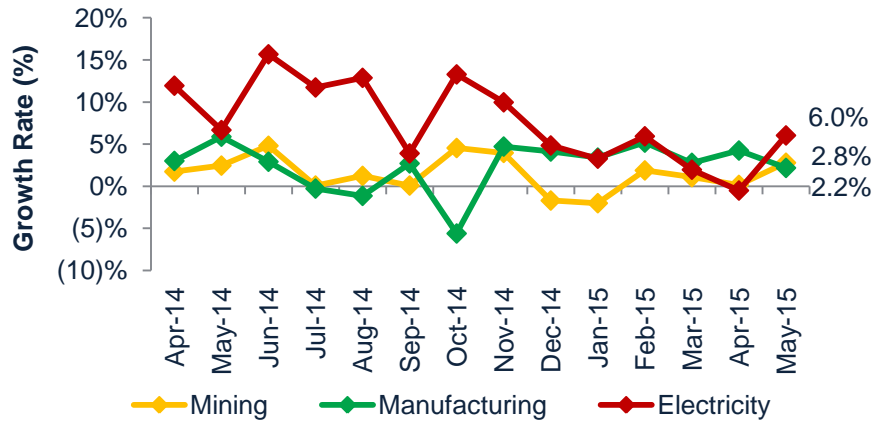
Commenting on the results, **Mr. Akshay S Pitti, Vice Chairman and Managing Director of Pitti Laminations** said:

“Traditionally, first half of the fiscal year is relatively slower for us compared to the second half due to the seasonality in our industry. We continued our robust growth momentum with a revenue growth of 19% compared to the same period last year. Our profitability also improved significantly to Rs. 15 million, a growth of 78% over Q1 FY2015. Performance during the quarter was driven by a strong growth in exports supported by steady performance of the domestic business. Increasing demand for our products has enabled us to enhance our utilization levels. Improvement in capacity utilization has helped us to better absorb fixed costs resulting in better margins.

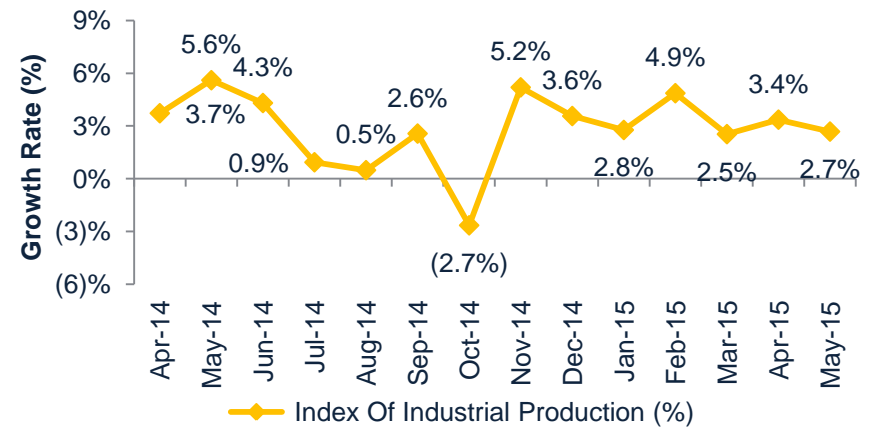
Management is committed to continue its growth trajectory with gradual improvement in profitability levels. Our order book continues to remain robust which gives us the visibility for a strong performance over the medium term. We believe that the expected reforms in the Indian economy coupled with a focus on infrastructural development will drive the performance of our Company in the long term.”

Industry Dynamics

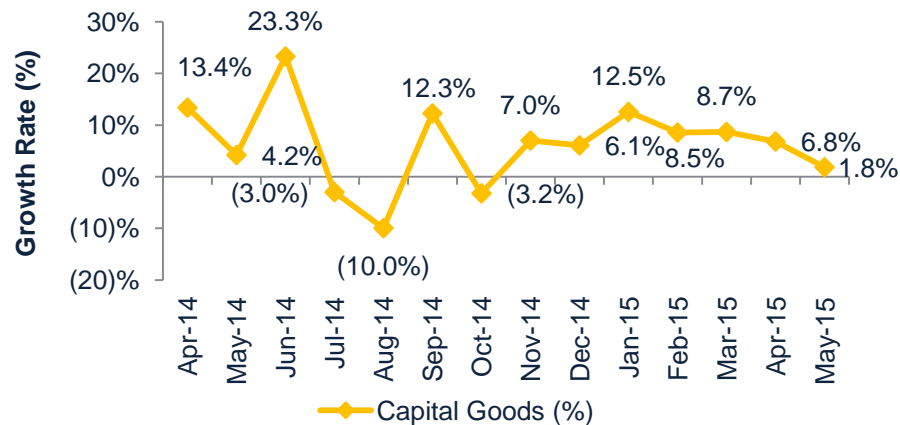
Index of Industrial Production – Sectoral



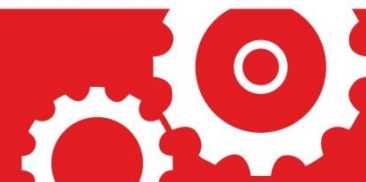
Index of Industrial Production



Index of Industrial Production – Use Based



Financial Performance Summary



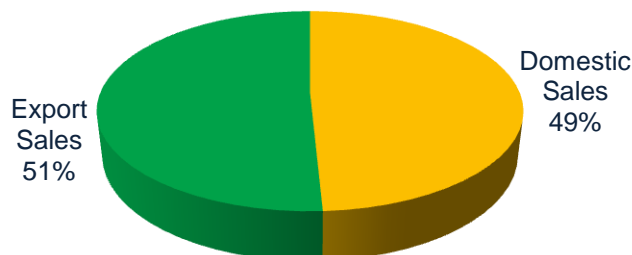
Consolidated Financial Highlights

(Rs. Million, unless stated)

| Particulars | Q1 | | y-o-y | Q4 | q-o-q |
|------------------------------|--------|--------|------------|--------|------------|
| | FY2016 | FY2015 | Growth (%) | FY2015 | Growth (%) |
| Sales Volume (MT) | 5,107 | 4,884 | 4.6% | 6,016 | (15.1)% |
| Net Revenue | 857 | 720 | 19.0% | 1,039 | (17.5)% |
| EBITDA ¹ | 94 | 78 | 21.1% | 145 | (35.2)% |
| Margin (%) | 11.0% | 10.8% | | 14.0% | |
| Profit After Tax (PAT) | 15 | 8 | 77.9% | 46 | (67.5)% |
| Margin (%) | 1.7% | 1.2% | | 4.4% | |
| Basic EPS (Rs.) ² | 0.56 | 0.31 | 79.1% | 1.71 | (67.5)% |

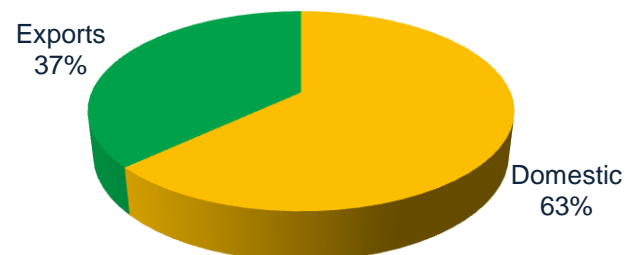
Sales By Geography

Q1 FY2016



Volumes By Geography

Q1 FY2016



Note:

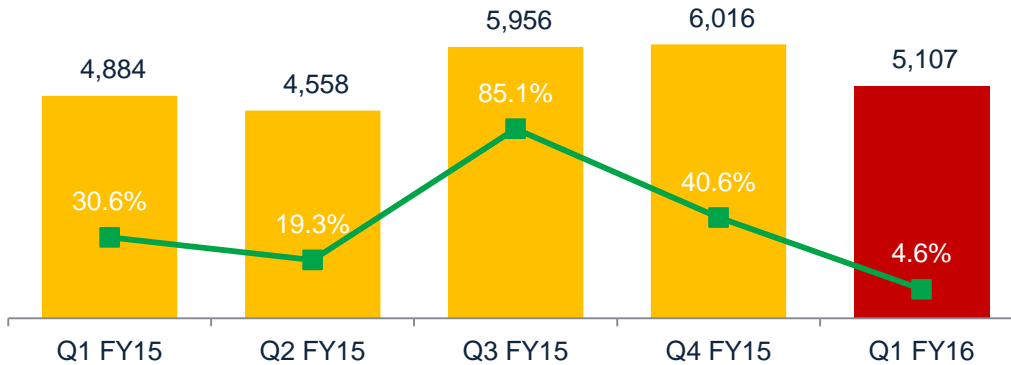
1 EBITDA is Profit from ordinary activities before finance cost, depreciation, exceptional items and includes forex loss / (gain)

2 Adjusted for a 1:2 split announced in April 2015

Financial Performance Trend



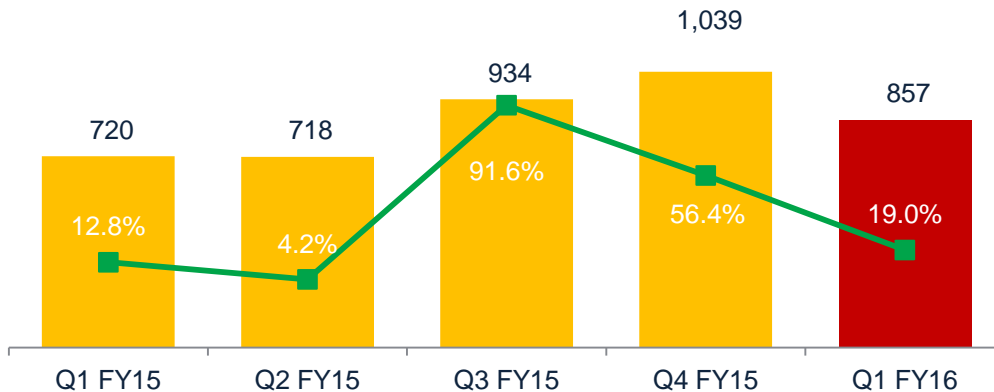
Volume (MT) and Y-o-Y Growth (%)



Q1 FY2016 vs. Q1 FY2015

- Domestic volumes declined by 5.2% to 3,224 MT
- Export volumes increased by 26.9% to 1,884 MT
- Stator frames sales was 95 compared to 5

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



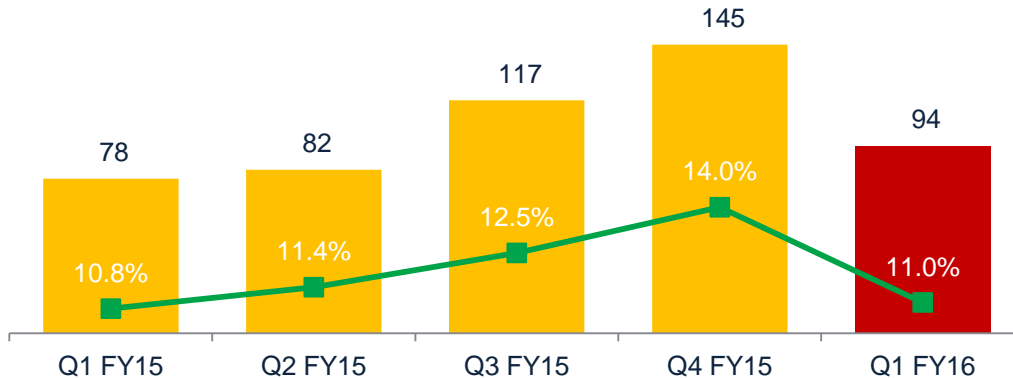
Q1 FY2016 vs. Q1 FY2015

- Robust sales growth primarily driven by strong export revenue and steady domestic revenue
- Domestic sales decreased by 3.1% to Rs. 419 million
- Export sales increased by 54.4% to Rs. 433 million

Financial Performance Trend

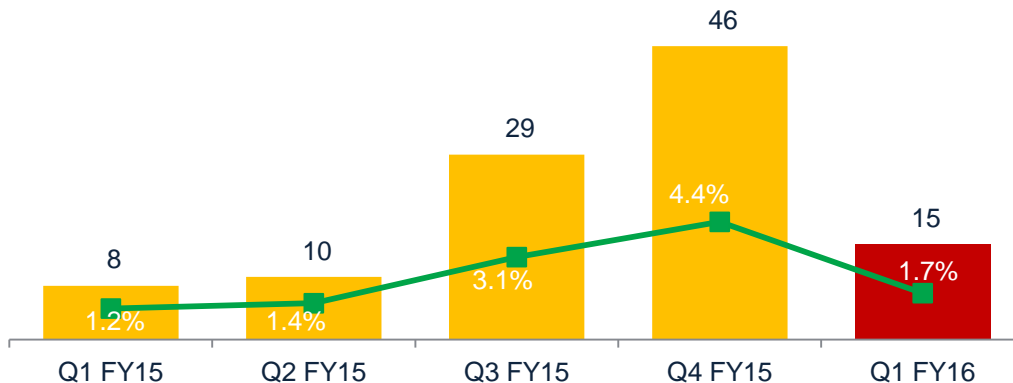


EBITDA¹ (Rs. mn) and Margin (%)



- Q1 FY2016 EBITDA increased by 21.1% y-o-y
 - This strong growth was primarily driven by higher utilization level
- EBITDA margin for the quarter improved by 19 basis points compared to Q1 FY2015

PAT (Rs. mn) and Margin (%)



- PAT for the quarter increased by 77.9% compared to Q1 FY2015
 - This growth was primarily driven by better operating profit
- PAT margin improved by 58 basis points compared to the same period last year
 - Margin benefited from cost synergies achieved due to better capacity utilization

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-June-2015 | 31-Mar-2015 |
|-----------------------------------|--------------|--------------|
| Long Term Debt | 377 | 265 |
| Short Term Debt | 1,268 | 1,099 |
| Total Debt | 1,645 | 1,364 |
| Less: Cash & Cash Equivalents | 186 | 153 |
| Net Debt / (Net Cash) | 1,459 | 1,211 |
| Net Worth | 1,187 | 1,173 |
| Net Debt / LTM EBITDA (x) | 3.3x | 2.9x |
| Total Debt / Net Worth (x) | 1.4x | 1.2x |

- 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 |  <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

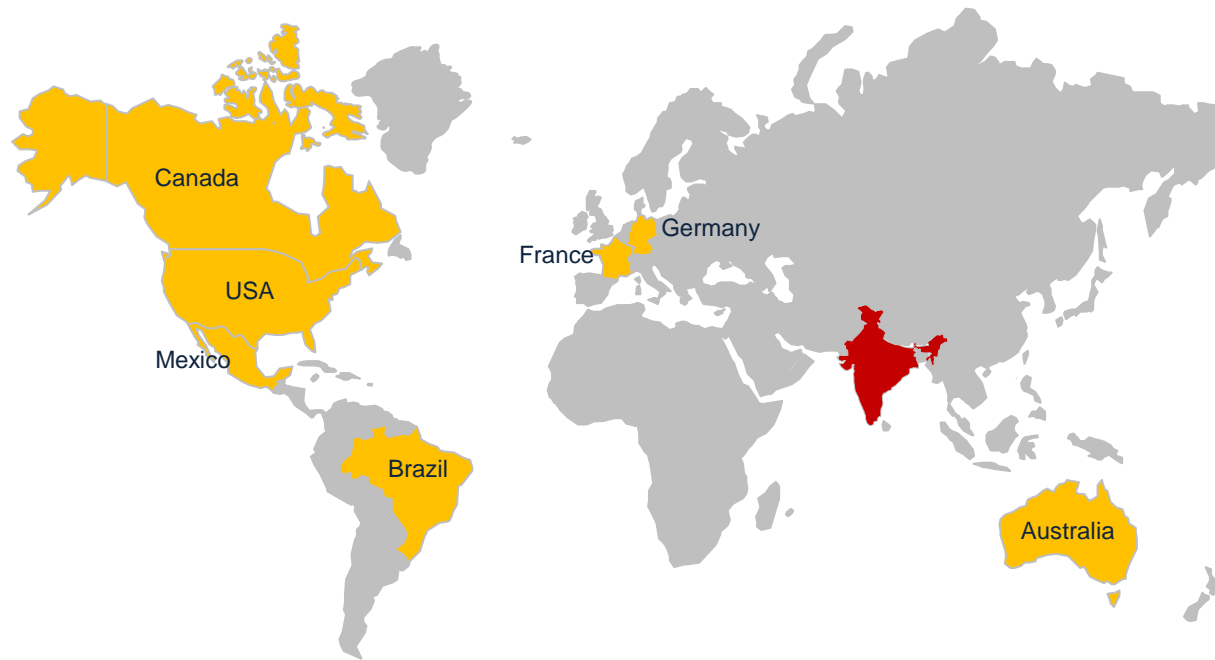


Note: Customers arranged in alphabetical order

Global Footprint




Geographically Diversified Customer Base



| Facilities | Capacity |
|------------------|---------------------------------|
| Lamination | 32,000 MT |
| Machined Casting | 1,13,400 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 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

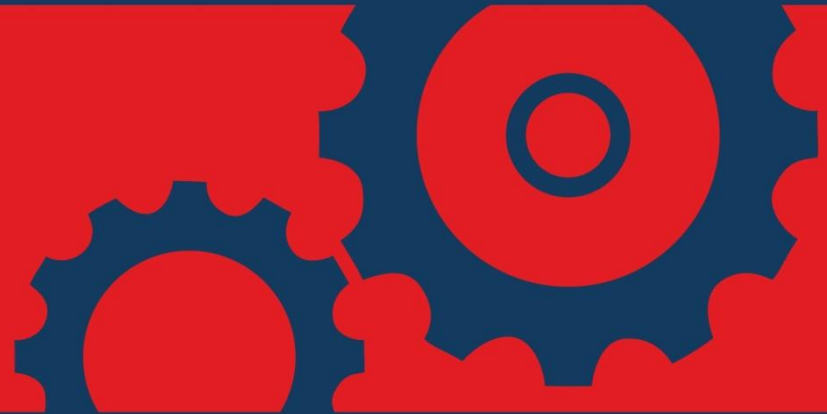
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