PITTI ENGINEERING SOLUTIONS

— Since 1983 —

Pitti Laminations Limited

(BSE: 513519, NSE: PITTILAM)

Q3 FY2017 Earnings Presentation

13 February 2017

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: Tuesday, February 14, 2017 at 4:00 PM IST

Dial-In Numbers	
Primary Number	+91 22 3960 0625
Local Access Number	3940 3977
The numbers listed above are universally accessible from all networks and all countries	
Toll Free Number	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

Highlights

Q3 FY2017 vs. Q3 FY2016

Total Volume
5,005 MT
+1.7%

Domestic Volume
4,000 MT
+9.4%

Revenue
Rs. 769 mn
+8.6%

EBITDA
Rs. 97 mn
+315.6%

PAT
Rs.19 mn

Management Commentary

Mr. Akshay S Pitti
Vice Chairman and Managing Director

“We are pleased to announce a strong topline performance coupled with an improvement in the profitability. This improvement in profitability for the quarter was on account of increased exports and increase in operational efficiencies.

Our plans of shifting Pune operations to Aurangabad and setting up of Plant 4 at Hyderabad for machining of components is running as per schedule. We are in final steps of completing the sampling work for the GE India order and we are looking forward to start commercial supplies by Q2 FY2018. We are also in the process of reorganizing manufacturing practices to enhance our competitive edge, make our manufacturing platform leaner and overall operations more efficient.”

Economy and Industry Update

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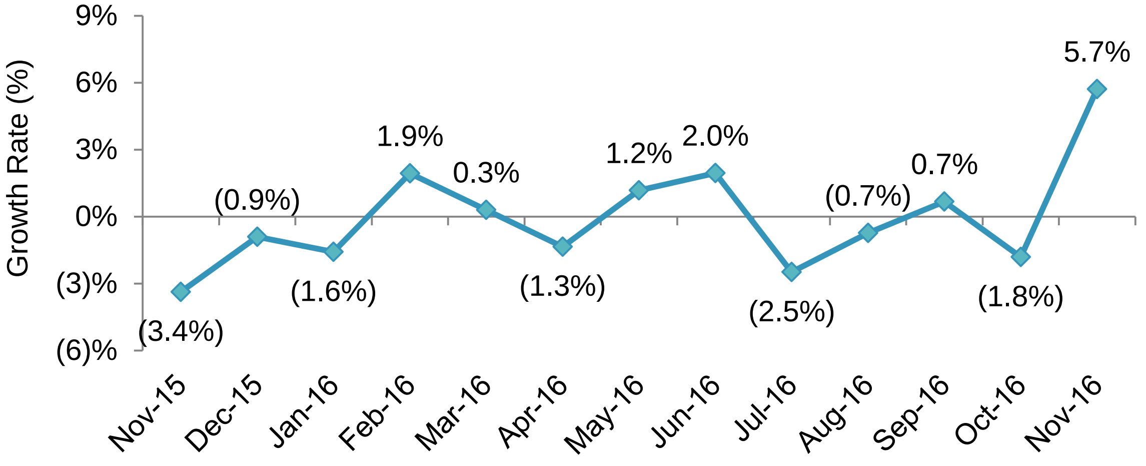
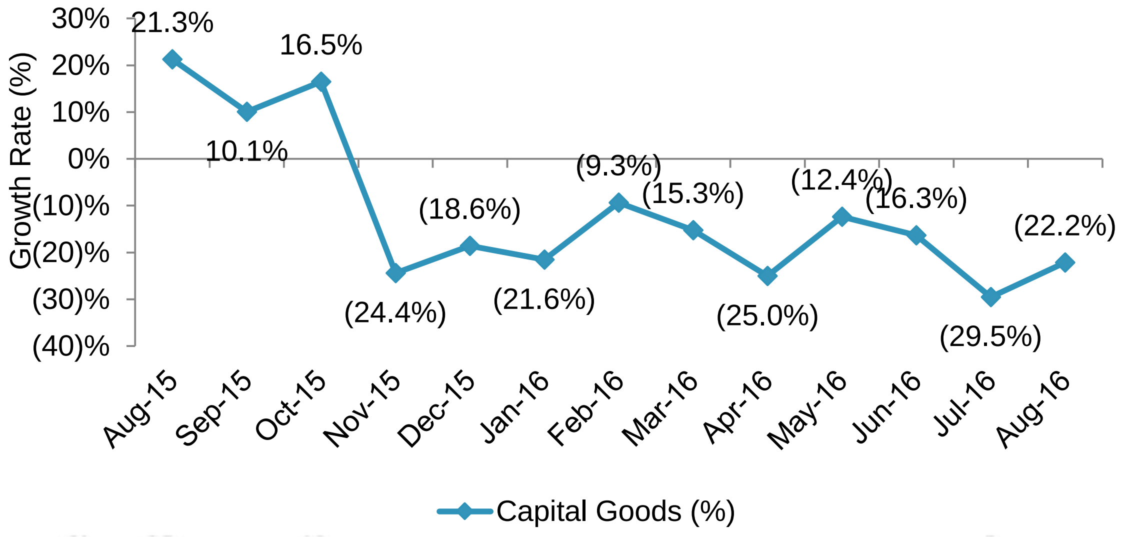
Macroeconomic Indicators

IIP



IIP – Use Based



Commentary

- The Index Industrial Production (IIP) rose 5.7% in November, driven by a positive base effect, from a contraction of 1.8% in October 2016 shrugging off the initial impact of demonetization
- All three sectors (Electricity generation, manufacturing and mining) that constitute the IIP grew at a robust pace in November though demand for consumer durables fell from the previous month
- IIP was expected to be in the negative zone as November was the first month to have captured the impact of demonetization

Financial Summary

(Rs. Million, unless stated)

Particulars	Q3 FY2017	Q3 FY2016	y-o-y Growth (%)	Q2 FY2017	q-o-q Growth (%)	Nine Months FY2017	Nine Months FY2016	y-o-y Growth (%)
Sales Volume (MT)	5,005	4,921	*1.7%*	4,572	*9.5%*	13,829	14,765	*(6.3)%*
Net Revenue	769	708	*8.6%*	667	*15.3%*	2,017	2,346	*(14.0)%*
EBITDA[1]	**97**	**23**	***315.6%***	**87**	***11.5%***	**274**	**150**	***83.2%***
Margin (%)	*12.7%*	*3.3%*		*13.1%*		*13.6%*	*6.4%*	
Profit After Tax	**19**	**(40)**	***nm***	**15**	***27.2%***	**47**	**(53)**	***nm***
Margin (%)	*2.5%*	*nm*		*2.3%*		*2.3%*	*nm*	
Basic EPS (Rs.)	0.71	(1.49)	*nm*	0.56	*27.3%*	1.73	(1.96)	*nm*

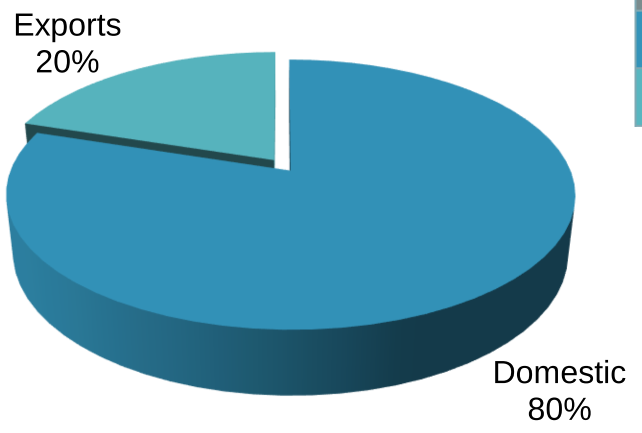
Performance Discussion (Y-o-Y)

- Revenue growth supported by higher volumes in both export and domestic market and better product mix in both domestic as well as export market
- Improvement in profitability for the quarter was primarily driven by increased exports, improved operating efficiencies and optimization of costs.

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

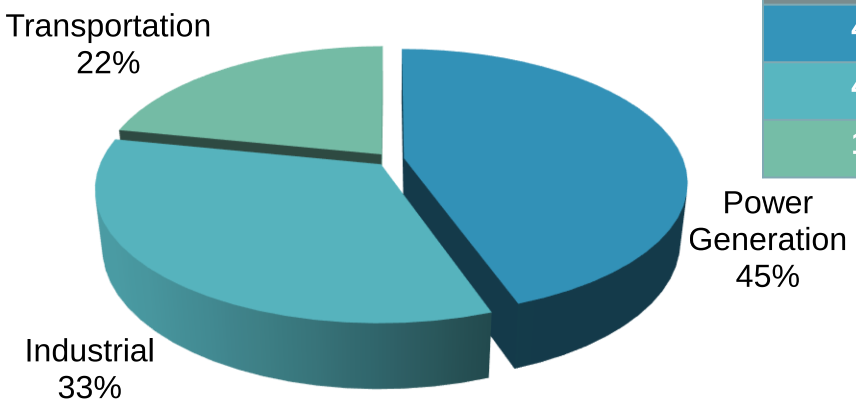
Operational Performance

Q3 FY2017 Volume Break-up (5,005 MT)



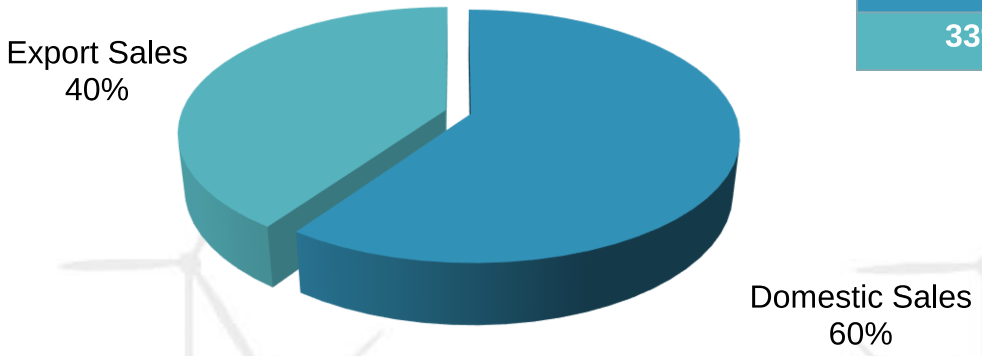
Q2 FY2017
86%
14%

Q3 FY2017 Volume by End Market (5,005 MT)



Q2 FY2017
45%
40%
15%

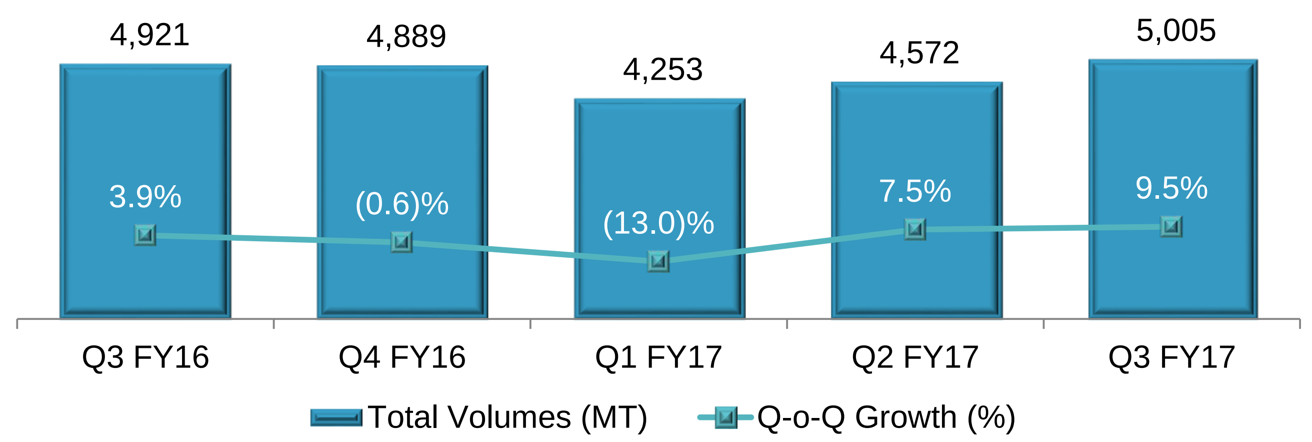
Q3 FY2017 Revenue Break-up (Rs. 769 mn)



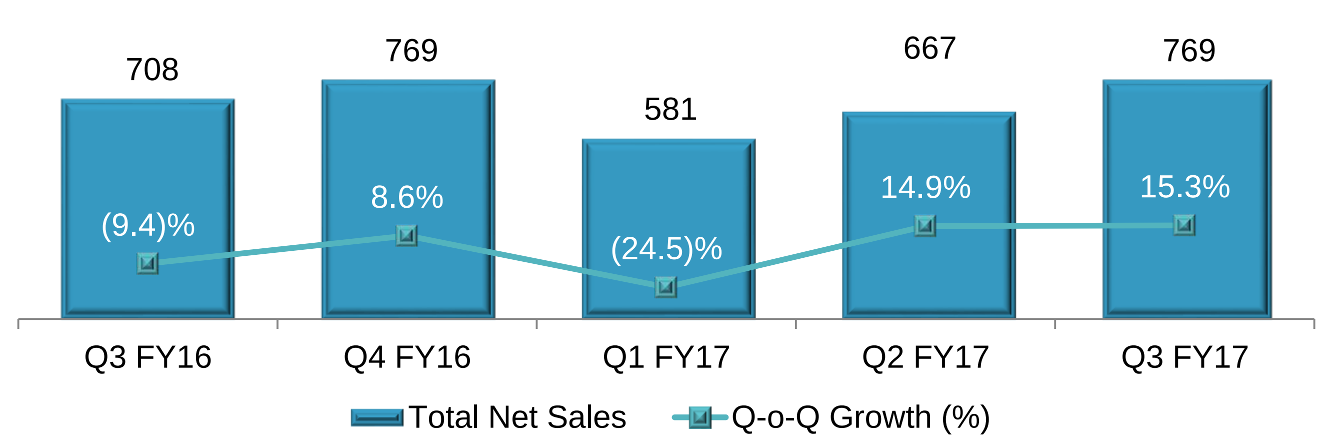
Q2 FY2017
67%
33%

Financial Performance Trend

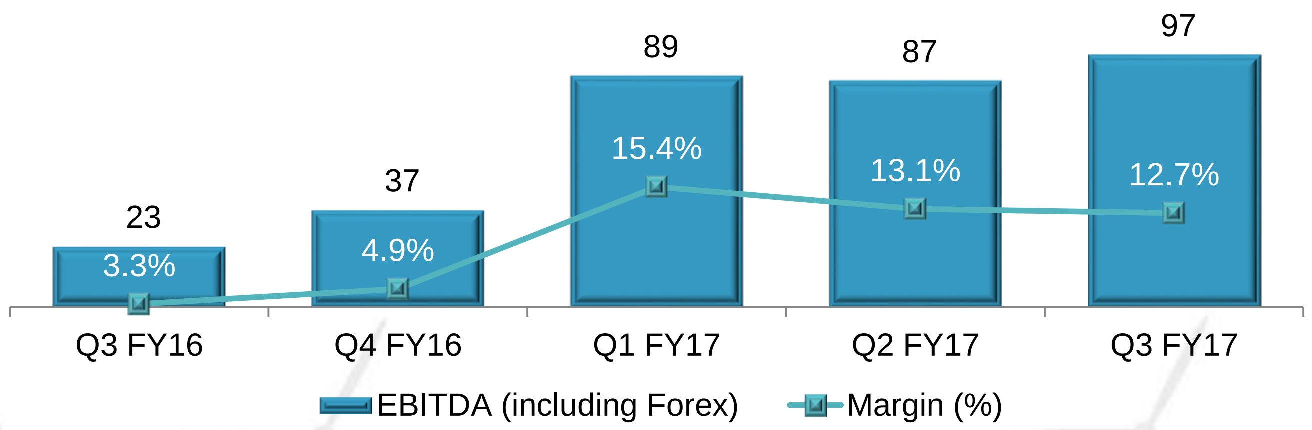
Total Volumes (MT)



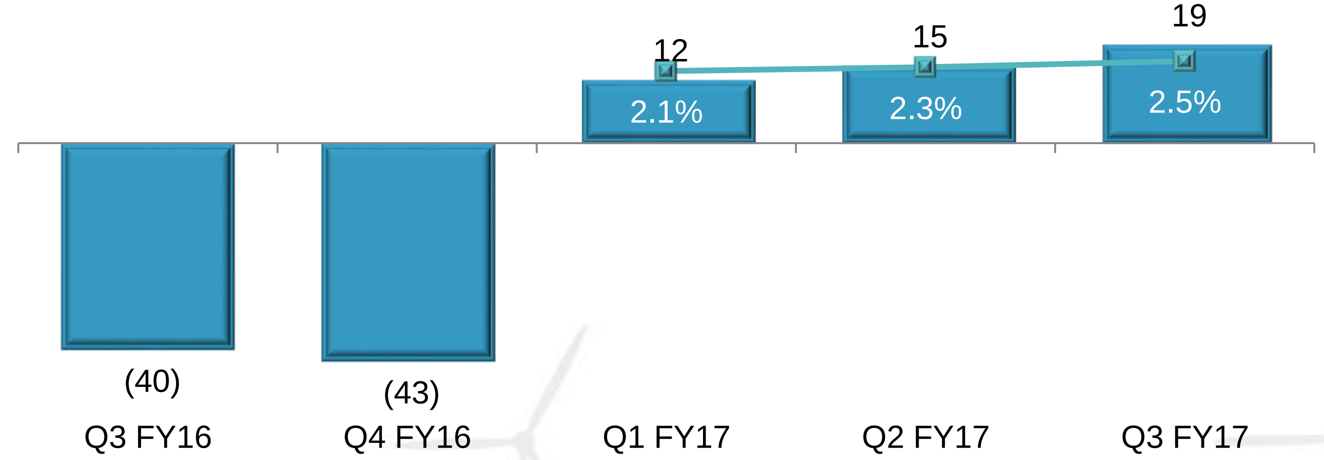
Revenue (Rs. Mn)



EBITDA (Rs. Mn)



PAT (Rs. Mn)

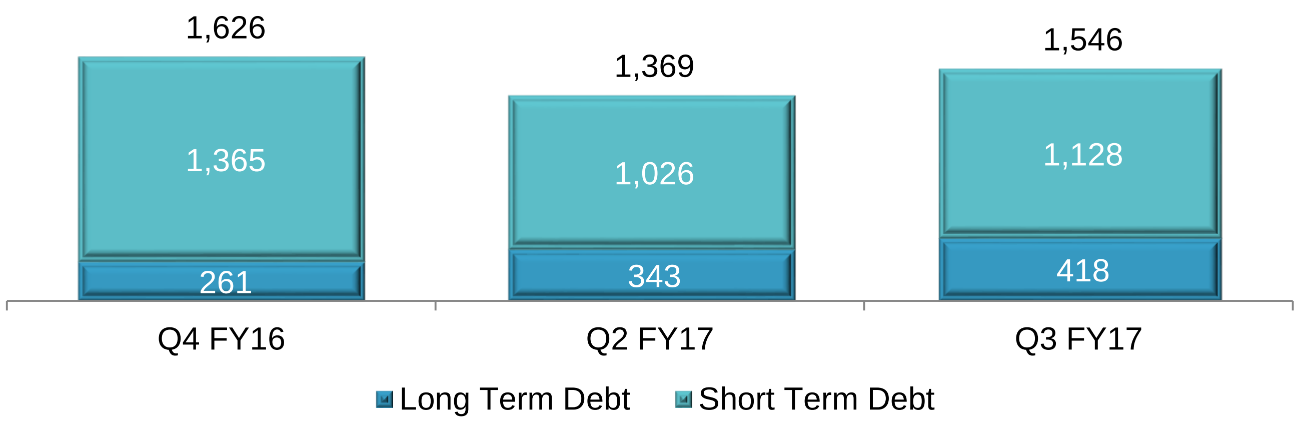


Note:

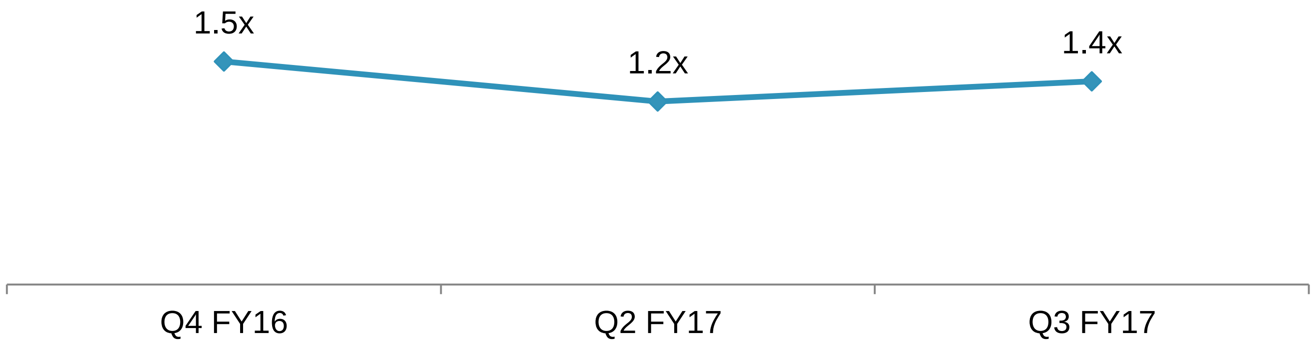
1. EBITDA is Profit from ordinary activities before finance cost, depreciation, exceptional items and includes forex loss / (gain)

Leverage Profile

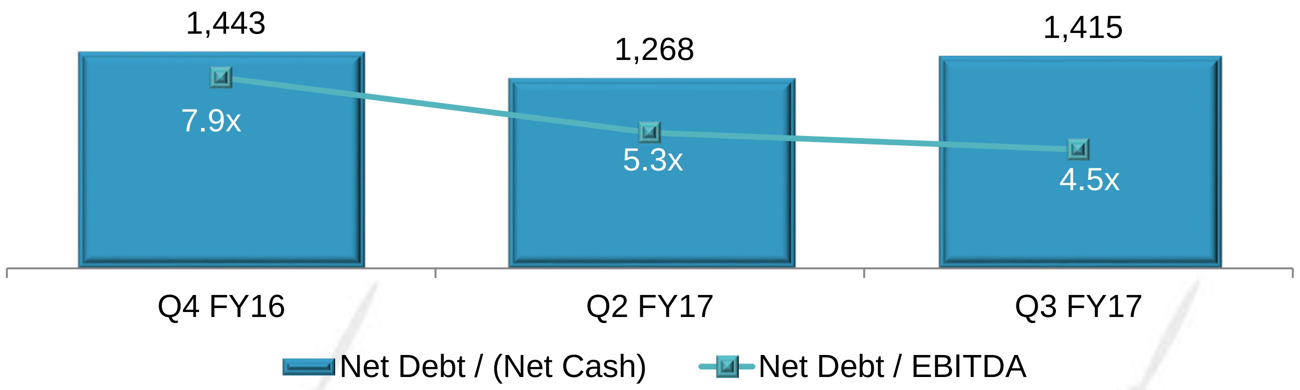
Debt (Rs. Mn)



Total Debt / Equity (x)



Net Debt (Rs. Mn) and Net Debt / LTM EBITDA (x)



- CARE has assigned following ratings to Pitti Laminations bank facilities (August 2016):
  - Long Term Bank Facilities: **CARE BBB+**
  - Short Term Bank Facilities: **CARE A2**

Recent Corporate Developments

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GE India order

- GE India order amounting to Rs. 500 Crores, which received last quarter, has completing sampling stage and commercial deliveries is expected to start from Q2 FY2018
- Order will contribute Rs. 50 Crores per annum in the topline

New plant setup at Hyderabad for machining of castings

- The setting up of Plant 4 at Hyderabad for machining of components for GE Locomotives, Gamesa and Siemens is going as per plan and will commence for production by April 2017

Shifting of Pune operation to Aurangabad

- The plan to shift Pune operation to Aurangabad is running as per schedule and is expected to start operation by Q1 FY2018.

Pitti Laminations - At a Glance

PITTI ENGINEERING SOLUTIONS
Since 1983

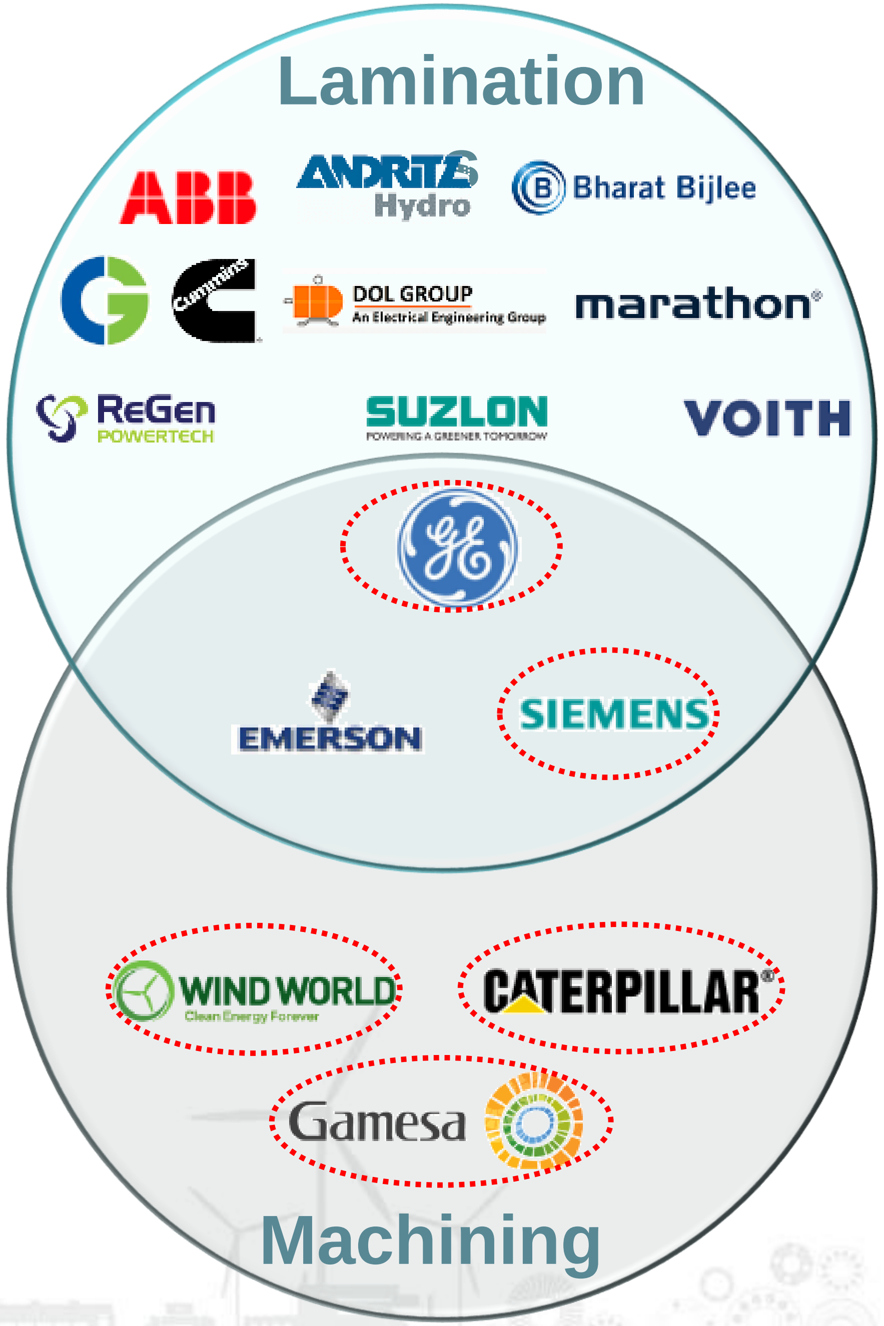
India's only end-to-end product and service provider in the electrical lamination segment

Pioneer for the manufacture of traction motor subassemblies in India

Longstanding customer relationships: Crompton Greaves (27 yrs), Siemens (22 yrs), GE (12 yrs)

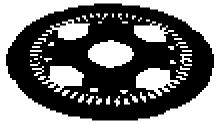
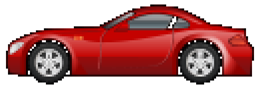
First commercial manufacturer of laminations in India certified by BVQI of UK for ISO 9002

India's only indigenously developed tool room with a portfolio of over 3,400 tools

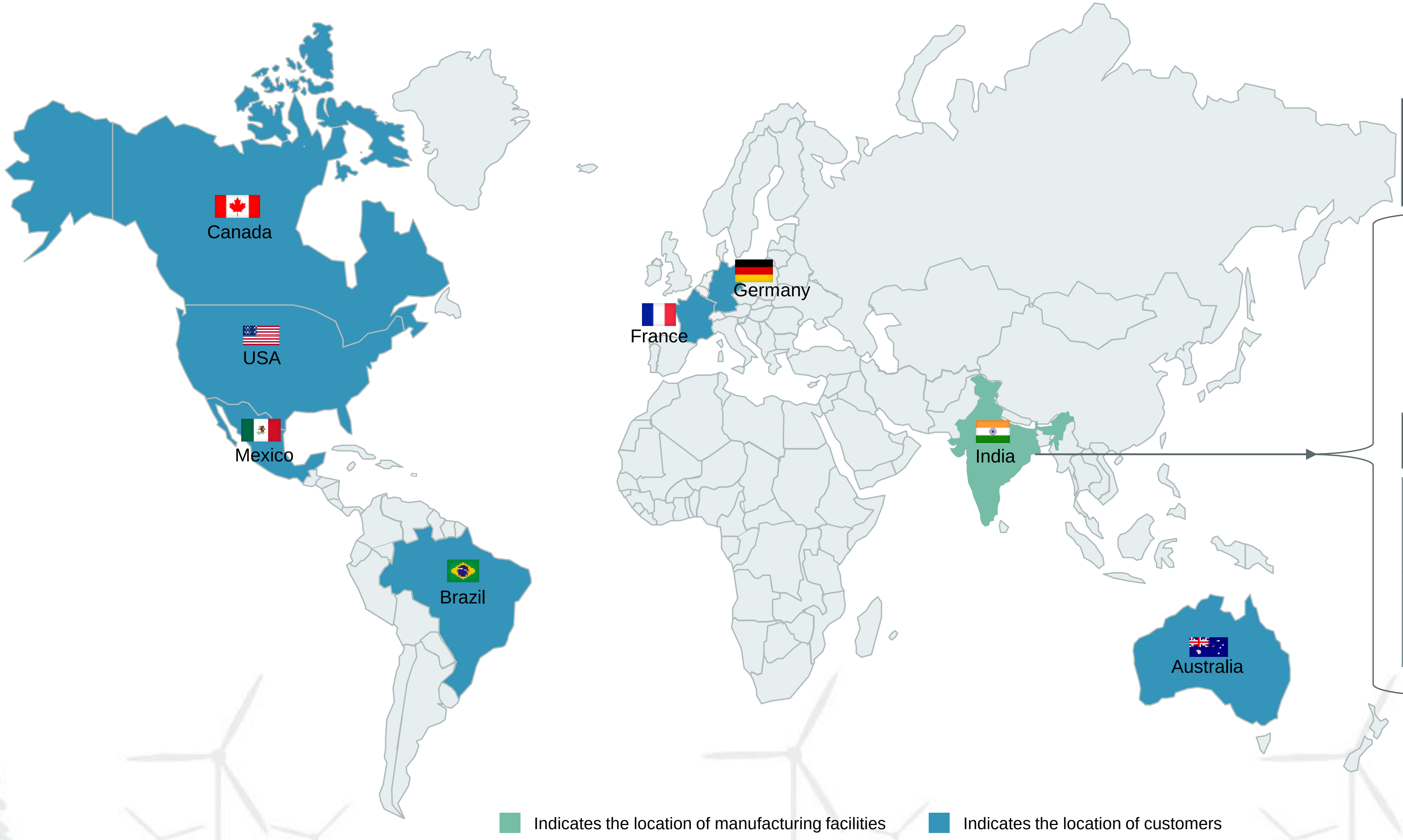


Indicates end customers of Pitti Castings for whom work is executed by Pitti Laminations' machining division; GE and Emerson are also direct customer of Pitti Laminations' machining division

Products and Services

Product		Description	Application / End-market
Electrical Steel Laminations		• Produces laminations from 50mm to 1,250mm outer diameter • Spacer/vent and glued laminations for hydro/thermal	      
Die Cast Rotors & Assemblies		• Skew angle rotors upto 540mm OD & 1,000mm height • Riveting or bolting the rotor stacks under hydraulic pressure	
Stator Core Assemblies		• Assemblies upto a diameter of 2,000mm with circular and cleating / welding / riveting of assemblies	
Rotor Core Assemblies		• Supplies ready to use assembled rotor cores with stacking	
Pole Assemblies		• Assembled pole bricks with stacking under hydraulic pressure with end castings	
Casting & Machine Components		• Machine shop that can handle range of precision machined applications	

Global Presence



Reorganised capacity (Proposed)

Aurangabad

Facilities	Total Capacity
Laminations (MT)	26,000

Hyderabad

Facilities	Total Capacity
Laminations (MT)	8,000
Machine Shop (Hrs)	1,85,400
Tool Room (Hrs)	46,000

Leadership

Management Team

Sharad B Pitti
Chairman and MD

Akshay S Pitti
Vice Chairman and MD

N K Khandelwal
CFO

Sandip Agarawala
Head, Marketing

Praveen K
Head, Manufacturing (Hyderabad)

Vikas Hinge
Head, Manufacturing (Maharashtra)

Rishab Gupta
Head, Strategic Sourcing

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

PITTI
ENGINEERING SOLUTIONS
Since 1983

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