



Ref:Sec/Sto/2018/11/05

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001

November 9, 2018

Dear Sirs,

Subject : **Copy of Managing Director's Presentation – 53rd Annual General Meeting**
Disclosure under Regulation 30 read with Para A of Part A of Schedule III of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: [Scrip Code: 505890] - Kennametal India Limited

Please find enclosed herewith the presentation made by Managing Director at the 53rd Annual General Meeting held on November 09, 2018 at the Registered Office of the Company.

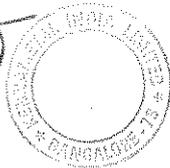
Kindly take the same on record and oblige

Thanking You,

Yours faithfully,

For **Kennametal India Limited**


K V Suresh Reddy
Compliance Officer



Encl: as above



53rd AGM Kennametal India Limited Bangalore

BC Rao

Nov 9, 2018



Content

- FY 18 Review
- Outlook

An overview of our business of last year and the outlook

Disclaimer

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events and involves known and unknown risks, uncertainties and other factors. Kennametal India Limited (The “Company”) cannot guarantee that these assumptions and expectations are accurate or exhaustive or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. No obligation is assumed by the Company to update the forward-looking statements contained herein.

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Your Company's Hardmetal Business

INDUSTRIAL

Kennametal Tooling and Metalworking Services



INFRASTRUCTURE

Engineered Products, Precision Surface Management and Life Extension Solutions



WIDIA

WIDIA Products Group



Specific to India : Machining Solutions Group



WIDMA
Machining Solutions Group

FY 18 Review : Economic Environment

- **Government Reform Initiatives**

- Emission norms , EV & other regulatory compliance policy initiatives in Auto .
- Private players investment picked up slowly in Aero, Railway and Defense policies.
- GST introduction has worked as strong enabler for business.
- Investments in Infrastructure.

- **Business Confidence**

- Started with cautiously optimistic & turned positive.

- **Exchange rate**

- Rupee value stayed around Rs 65.00, depreciating further from April onwards to end at around Rs 68 towards year end .

- **Input Cost**

- Raw material showed high rising trend. Input costs on Energy, employment etc., continued to go up.

- **Competition**

- Quite intense, Asian Players putting more pressure.

Served Markets Impacting our Business

- Automotive production
 - In specific 2W, PV, LCV
- MHCV
- Tractors production
- Steel Production
- Aerospace, Defense & Railways
- Capital Investments in Manufacturing including Greenfield facilities
- Oil & Gas, Energy & Mining



Financial Performance

Highlights of the year FY 18

Growth in Revenue..... + 22% (After adjusting Excise duty in previous year)

Growth in Bottom line..... + 125%

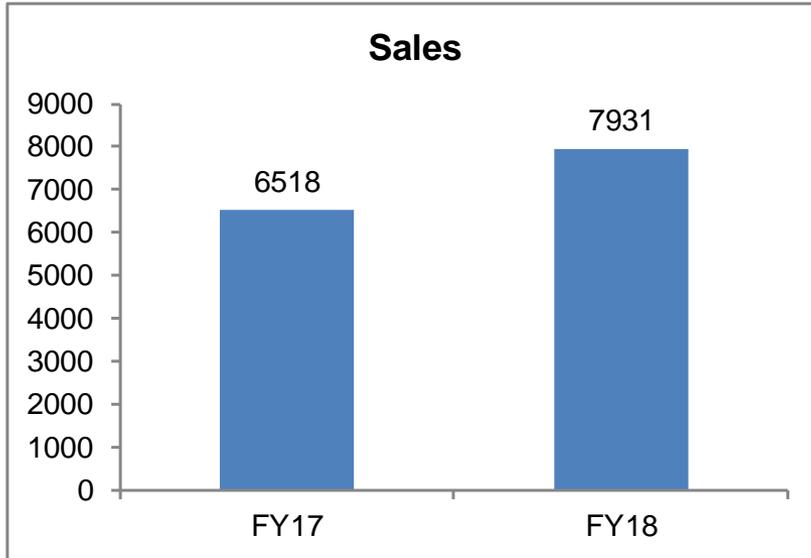
EPS increased from Rs 11.00 per share (FY 17) to Rs 24.00

Invested Rs 60 crore in the Manufacturing to modernize, add capacity as well as capability upgrades.

We continue to manage without any External Borrowings to meet our Funds requirement.

Cost reduction Initiatives are continued.

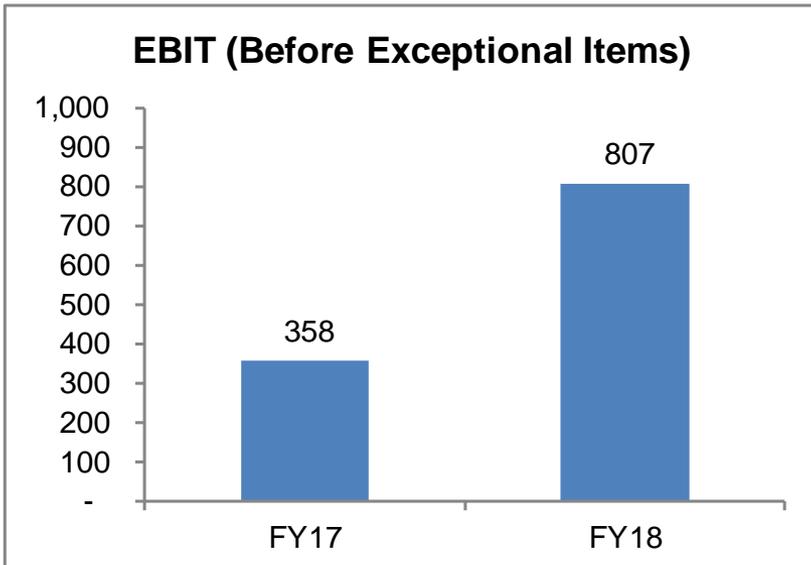
Key Performance Indicators – FY18



(₹. In Million)

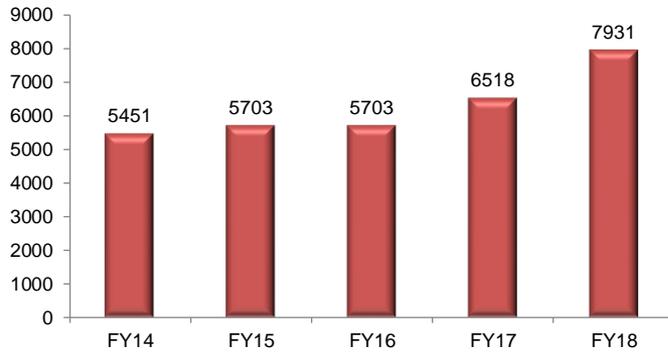
	FY17	FY18	Gr %
Sales	6518	7931	21.7%
EBIT (Before exceptional items)	358	807	125.4%

Sales growth after adjusting Excise duty in previous year

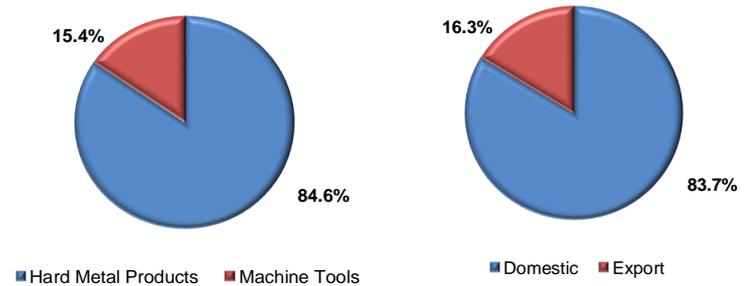


Financial Results & Trends

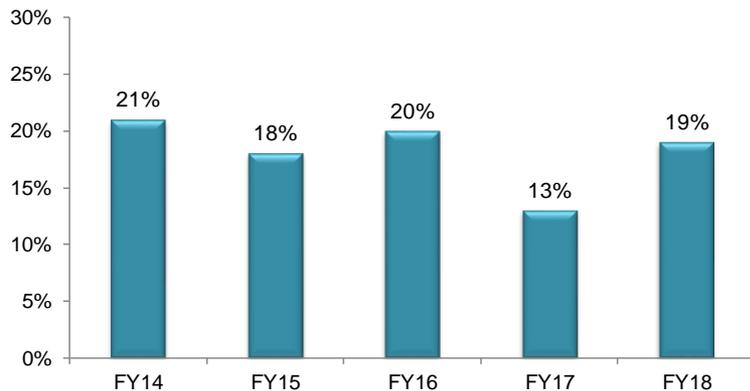
Sales (₹ Mn)



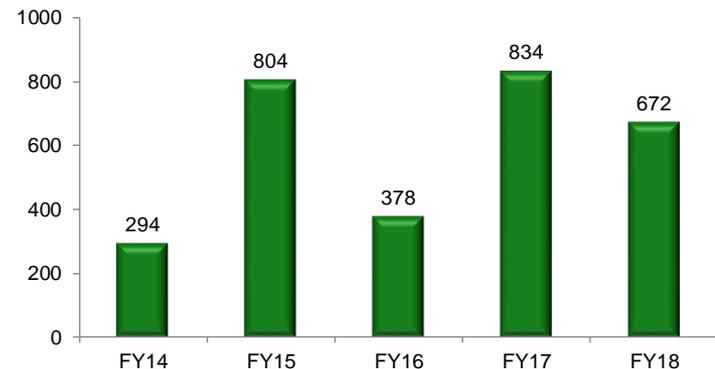
Revenue Break-up – FY18



Working Capital % to Sales



Operating Cash Flow (₹ Mn)



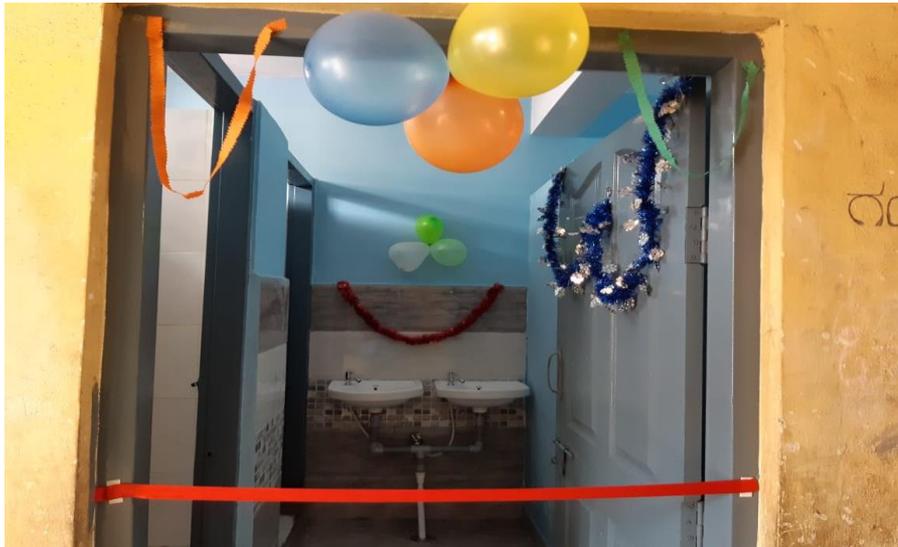
Corporate Social Responsibility

Corporate Social Responsibility

Rs.70.96 lacs worth contribution to the ongoing initiatives in the areas of :

- Promotion of Tech Education
- Protect our Planet
- Kennametal In the Community

Inauguration & Handing over of Sanitation units built for Boys & Girls of Govt. Primary School, Bagalagunte



- ✓ Inauguration of Smart Class room and Computer Lab for promoting Multi Dimensional Learning Space (MDLS) in Government Primary School at Hesaraghatta.
- ✓ MDLS support provided to 4 Government schools in and around KIL.



Volunteering by KIL & KSSPL Technology employees during the Summer Camp at Sparsha Nisarga Grama in April – May'18



- Kennametal India volunteers also taught the kids on the following :
- Grooming & Self discipline
- Open session for girls to speak up on the problems they may be facing.



Volunteering by KIL & KSSPL Technology employees at Government High School, Bagalagunte (adjacent KIL)

- Painting the exteriors of classroom and compound wall by KIL employees
- Planting of trees by KIL employees in identified locations in the school premises



Going Forward

Economic Outlook FY19

- Policy Changes & reform Initiatives from the Govt. Expected to stay the Reforms course
- Enhanced focus on Manufacturing Make in India initiative – Defense & Railways new opportunities. Auto sector gearing up for BS VI as well as expected to grow
- With reasonably good monsoon, GDP forecast is at 7.3% in 2018-2019 as per IMF
- Raw material rising price trend seems to be stabilizing
- Rising costs. Intense & growing competition & Pricing challenges to secure margins
- Liquidity crunch, stressed balance sheets & NPA of banks
- Oil prices & depreciating rupee

** (Sources : - CRISIL Research India Economy Forecast
- International Monetary Fund
- World Bank projection)

Actions to grow Topline

- Stay focused on Core business & drive profitable growth
- Focus on Channel partner development initiatives with digitally enabled support system
- Diversify end markets : Aero, Defense, Railways added focus
- Explore opportunities for Ecogrind machines in SEA, Brazil & group company re-conditioning centers
- Focus on Hardmetals Export -Tools

Our Continued Focus to secure the Bottom line

- Operational Excellence Initiatives focused around productivity improvement
- Explore more opportunities on energy & other resources for cost savings by taking up Green Co certification
- Efficient procurement of raw material with options on suppliers
- Continue with other Cost reduction initiatives

With the growth on sales, our leverage for profitability significantly improves

Management Team

Stable and experienced Senior Management Team with around 20 years plus of industry experience.

- BC Rao, MD
- Suresh Reddy, CFO
- Chandrashekar Sharma, Industrial Business Head
- Prashant Shetty, WIDIA Business Head
- M.T.Swamy, Infrastructure Business Head
- M.N.Bhaskara Rao, Manufacturing Head
- Manu Kidave – HR Head.

Thank You