

## Press Release

**PTC Industries announces the acquisition of a 5,000 Tpa Capacity Recycling & Remelting Furnace for manufacturing of Titanium Alloy Ingots through its wholly owned subsidiary - Aerolloy Technologies.**

**Lucknow, Uttar Pradesh, 19<sup>th</sup> August 2022:** PTC Industries Limited (herein referred to as “PTC”) announced today that it has successfully completed the **acquisition of the Electron Beam Cold Hearth Remelting (EBCHR) furnace** with a capacity of **5,000 tonnes per annum**, through its wholly owned subsidiary “Aerolloy Technologies Limited (ATL)”. This is in line with PTC’s guiding principle (“Dharma”) of achieving Parity in the sphere of metal and metal component manufacturing within India. This is a momentous achievement, one that holds tremendous significance for building an Aatmanirbhar Bharat by paving the way for manufacturing of Strategic and Critical materials for Defence, Aerospace, Medical and Industrial applications indigenously.

With the installation of this EBCHR furnace, the world’s **largest single site Titanium recycling facility** shall now be set up in India, and make PTC one of the very few companies in the world with the manufacturing capacity and technology for remelting and recycling Titanium scrap within the country and producing aviation-grade Titanium alloy ingots indigenously. Currently, only USA and France possess this capability in the western world, and this landmark step will now put India among a select group of countries who have the ability to manufacture Titanium ingots by recycling and remelting.

The acquisition of the EBCHR Furnace fulfils the strategic objectives of setting up a Titanium raw material manufacturing facility within the country initiated with the recent purchase of the Vacuum Arc Remelting (VAR) furnace for manufacturing Titanium ingots. The Electron Beam Cold Hearth Remelting furnace will have an installed capacity of 5,000 tonnes per annum in addition to the 1,500 tonnes per annum capacity of the VAR Furnace for manufacturing Titanium ingots. As per industry reports, about 30,000 tonnes of Titanium is recycled annually through EBCHR or Plasma Arc Melting (PAM) which implies that **PTC will now possess a significant market share of over 15% of the world production.**

This entire expansion is underway at the recently acquired 50 acres of land by ATL located in the Lucknow node of the Uttar Pradesh Defence Industrial Corridor next to the Brahmos facility. Along with the successful addition of VAR and EBCHR furnaces to its capabilities, PTC is also actively pursuing the acquisition of a small PAM for the manufacture of exotic Titanium alloys. During the first phase of expansion, the company will invest approximately Rs. 125 crores over a period of 2 years to set up this entire facility. This investment is expected to be funded through a mix of internal accruals, fresh equity and debt including funds raised from the recent Rights Issue. PTC has procured these machineries at a fraction of the original acquisition cost, enabling the company to achieve, at full capacity, a revenue multiple of 10-15x with robust margins while a similar capacity in the western world may achieve only a 1-1.5x revenue multiple. The whole decommissioning, dismantling, packing and subsequent

installation and commissioning of the VAR and EBCHR furnaces shall be undertaken by the Original Equipment Manufacturer from Germany.

Producing Titanium ingots by recycling scrap is a highly strategic and inaccessible technology. In 2017-18, the French Government and the European Investment Bank (EIB) funded Aubert & Duval (part of the Eramet Group) to develop this technology and equipment at a cost of 48 million Euros. This became the first and only plant in Europe to produce aviation-grade titanium by recycling scrap collected from major aircraft makers and their subcontractors. Titanium material manufactured through this process has been branded as EcoTitanium® by Aubert & Duval. A study conducted by an independent third party shows that EcoTitanium® avoids 26.4 tonnes CO<sub>2</sub> per tonne of Titanium produced by recycling compared to traditional methods. The volume of emissions avoided is expected to increase in the future as operations reach their nominal production rate. Using this benchmark at full capacity, Titanium ingots produced by PTC's newly acquired EBCHR furnace would reduce 132,000 tonnes of CO<sub>2</sub> emissions annually. The cost of one tonne of CO<sub>2</sub> in international markets is trading at approximately US\$ 50-80 per tonne and is expected to reach between US\$ 100-150 per tonne of CO<sub>2</sub> saved in the coming years.

Titanium alloy ingots manufactured by recycling and remelting of scrap have equal acceptability compared to ingots manufactured using Titanium sponge (from ore) by key industries like aerospace and defence, space, and medical. Furthermore, forging, fabrication, casting, machining and all other manufacturing processes for making components and products using titanium generates large amounts of titanium waste which remains unusable without access to this technology. In some aviation components, up to 80-90% percent of its titanium weight ends up as manufacturing waste.

***Speaking on this major accomplishment, Mr. Sachin Agarwal, Chairman & Managing Director, said:***  
*"This is a historical moment for PTC as well as for India, as with this latest acquisition of EBCHR, PTC will now be one of the largest and select players globally having the capability to manufacture Titanium Ingots through recycled and remelted scrap. Titanium is the most critical and difficult metal to handle and by achieving this capability, the company has taken a crucial step towards its vision for achieving 'Parity' with the world.*

*For the last 8 years, PTC has been on a quest to achieve Parity in the sphere of manufacturing of strategic and critical materials and their components within India and this has been embodied as our guiding principle or 'Dharma'. One of the most elusive and inaccessible part of this entire mission was to acquire the technology and high-capacity manufacturing capability for producing titanium and titanium alloy materials within the country in a sustainable manner by recycling titanium scrap thereby reducing dependence on Titanium ore and sponge which is already a limited resource in the country.*

*Additionally, with changing market dynamics and uncertainties in the geo-political situation like the Russia-Ukraine war and disruptions in the global supply chain, availability of Titanium sponge and*

*material may become difficult and expensive. Thus, the strategic advantage of having a facility to manufacture titanium alloy ingots with **up to 80% of readily available and cost-effective Titanium scrap is a highly profitable proposition for the Company.** This acquisition and investment in Titanium material production will be a quantum leap for the company in terms of its technology, capability, revenue growth and sustainable profitability for decades.”*

### **About PTC Industries Limited:**

Incorporated in 1963, PTC Industries Limited is a manufacturer of high-quality engineering components of various critical and super-critical applications. PTC manufactures products for a wide spectrum of industrial applications including that for Oil and Gas and Liquefied Natural Gas (LNG), Offshore and Marine, Valves and Flow Control, Power Plants and turbines, Pulp and Paper Machinery and Mining and other Engineering and Capital Goods Industries. In the past few years, there has been an added impetus to relentlessly and constantly develop and indigenize latest cutting-edge technologies for manufacturing of strategic materials, components, and sub systems for various Defence and Aerospace applications which will be the growth engine for the company in future.

### **For more information, please contact:**

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