

**NELCAST
LIMITED**



7th November 2024

BSE Limited
Listing Operations
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai - 400 001
Maharashtra, India
BSE Script Code: 532864

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Maharashtra, India
NSE Script Code: NELCAST

Dear Sir/Madam

Sub: **Investor Presentation**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation. The copy of the disclosure is available on the website of the Company at <http://www.nelcast.com>.

We request you to take this information on record.

Thanking you.

For **Nelcast Limited**

(S.K.SIVAKUMAR)
Company Secretary

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CIN : L27109AP1982PLC003518

Regd. Off.: 34, Industrial Estate, Gudur - 524 101 (A.P.) Tel.: 251266 / 251766 Fax:08624-252066
Ponneri works :Madhavaram Village, Amur P.O, Ponneri - 601 204 .T.N Tel.: 27974165/27973532, Fax: 27973620
Pedapariya Works : 259 /261, Pedapariya Village, Ozili Madal, Nellore Dist - 524402. (A.P.)

IATF 16949 : 2016 * ISO 14001 : 2015 * ISO 50001 : 2011



ISO 9001 : 2015

*

OHSAS 18001 : 2007

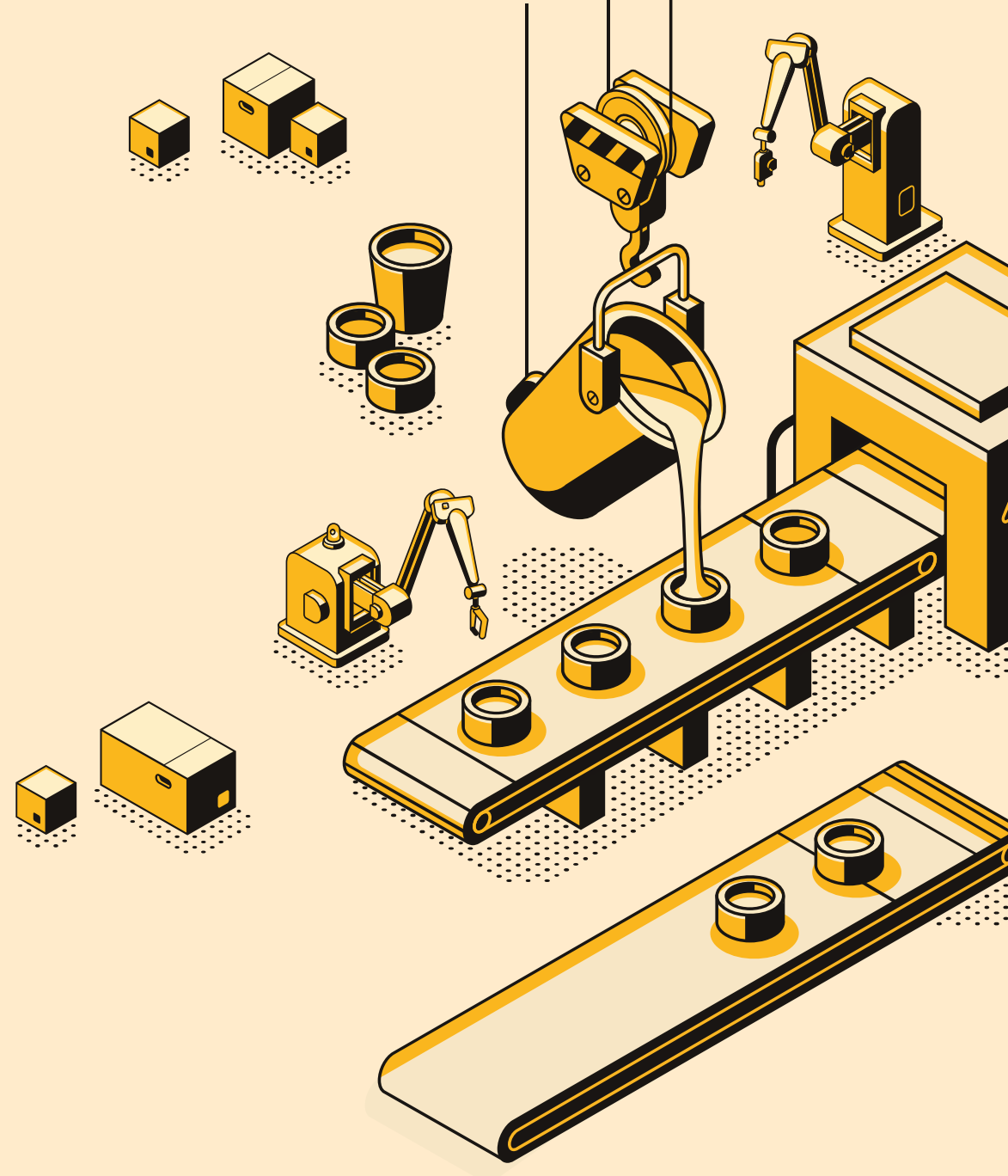
NELCAST
LIMITED



Investor Presentation

Q2 & H1FY25 | October 2024

BSE: 532864 | NSE: NELCAST | ISIN: INE189101024
www.nelcast.com

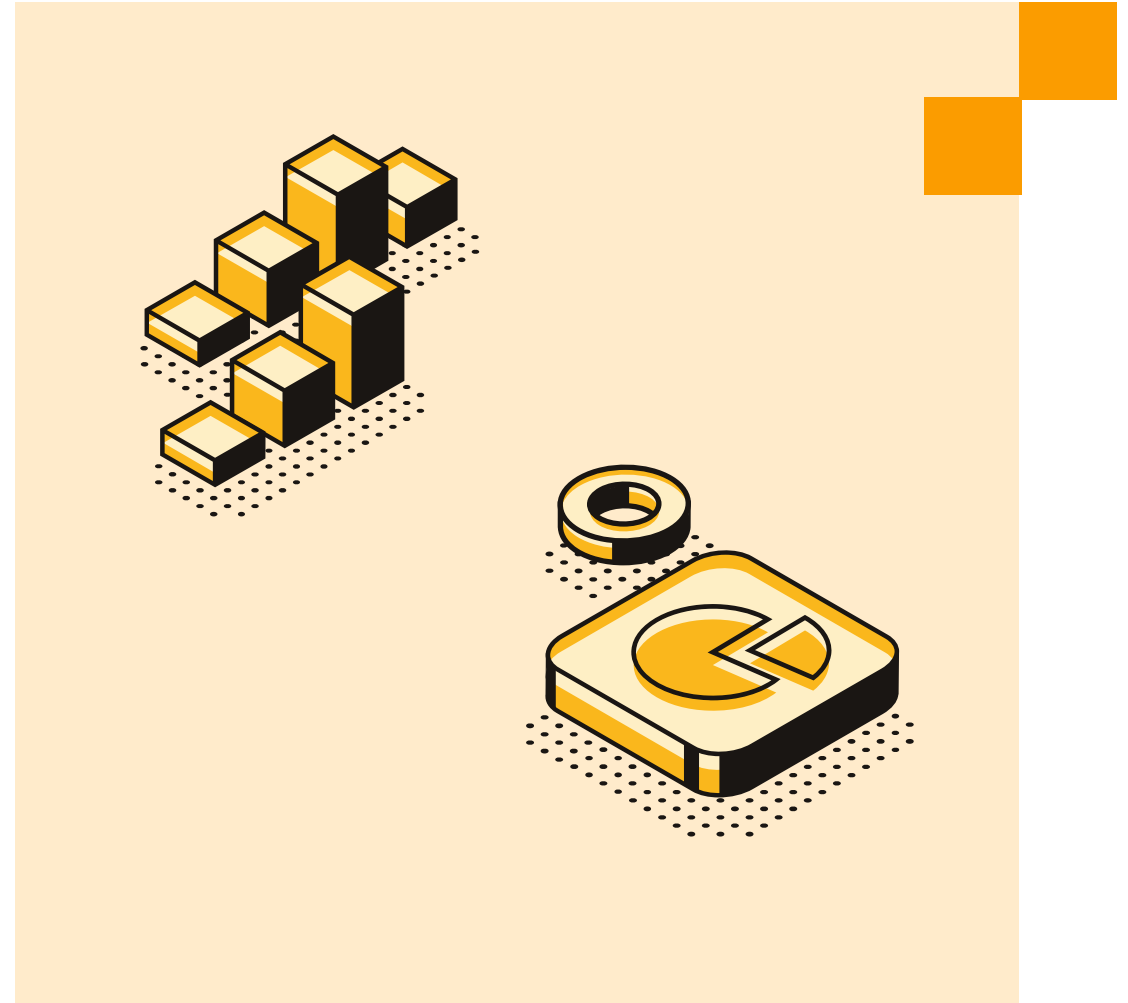


Q2 & H1FY25 Highlights

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Key Developments & Outlook

PARTICULARS	CURRENT (Q2 & H1 FY25)	OUTLOOK (FY25)
Overall Performance	The performance in Q2FY25 was relatively weak, primarily due to decreased demand for commercial vehicles in the domestic market and significant macroeconomic events such as the US elections. Both sales volumes and price realizations were at the lower spectrum.	The commercial vehicle sector is poised for a comeback, with signs of demand revival by the close of FY25 and new product launches on the horizon. We expect a significant demand boost in our main markets with early recovery signals emerging by Q1FY26.
Tractors	Tractor market witnessed relatively soft demand during quarter compared to previous year	Experiencing a positive trend which is expected to continue due to increased financial outlay in rural areas by the Central Government
Medium & Heavy Commercial Vehicles (M&HCV)	Subdued demand from OEMs led to a slowdown in both production and demand in this segment, resulting in a muted market performance	The Government increased investment in infrastructure is anticipated to drive the market growth. However, projections indicate that the CV segment will experience decline in the US and Europe
Exports	The Exports grew by 31% sequentially in Q2FY25 and remained subdued YoY. In H1FY25 exports witnessed a marginal growth of 3.5% YoY and stood at Rs. 227.6 Crores in H1FY25, impacted by macro events in key export market.	We expect export market to pick-up during the beginning of Q1FY26 and grow at good pace going forward.
EBITDA/kg	The EBITDA per Kg witnessed a modest decline reaching Rs.11.8/kg	Going ahead, we expect EBITDA per kg to expand, propelled by the ongoing export momentum and efficient capacity utilisation, leading to improved margins and profitability

Profit & Loss Highlights

Consolidated (in INR Cr.)	Q2FY25	Q2FY24	Q1FY25	H1FY25	H1FY24
Total Revenue	335.0	362.6	302.3	637.4	659.0
EBITDA	26.0	36.1	22.4	48.4	59.0
EBITDA Margin %	7.8%	9.9%	7.4%	7.6%	9.0%
EBITDA/kg	11.8	14.9	11.8	11.8	13.5
PAT	9.8	16.6	8.0	17.8	23.8
PAT Margin %	2.9%	4.6%	2.6%	2.8%	3.6%

REVENUE

₹335.0_{CR}

Revenue experienced decline due to subdued demand in domestic as well as export market

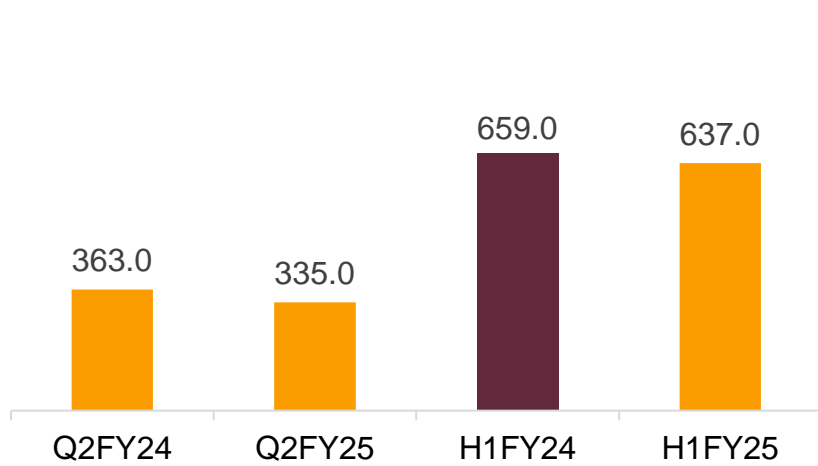
EBITDA/KG

₹11.8

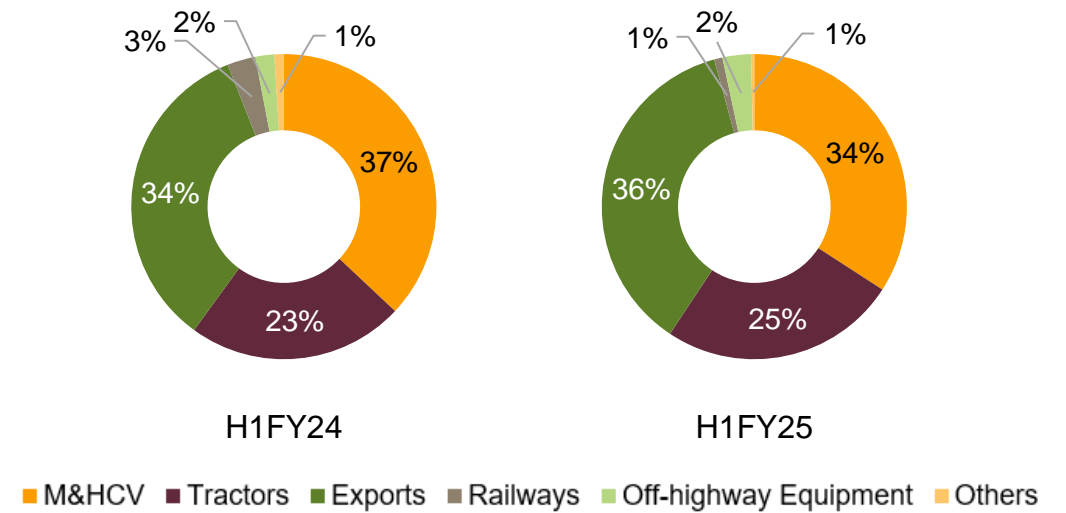
In Q2FY25, EBITDA per kilogram stood at Rs. 11.8, impacted due to decline in volumes and realisations during the quarter

Story in Charts

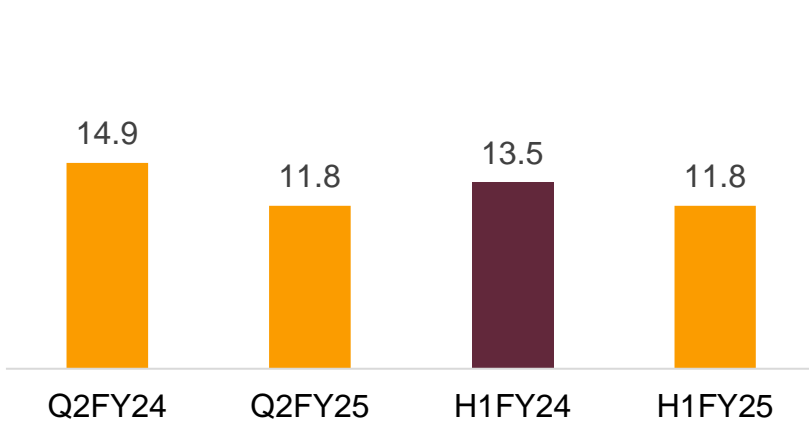
TOTAL REVENUE (INR Cr.)



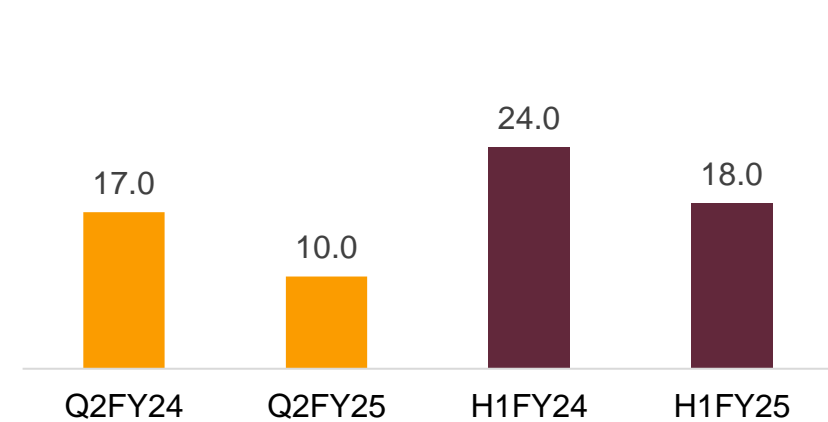
SECTOR-WISE REVENUE (%)



EBITDA/KG (INR)



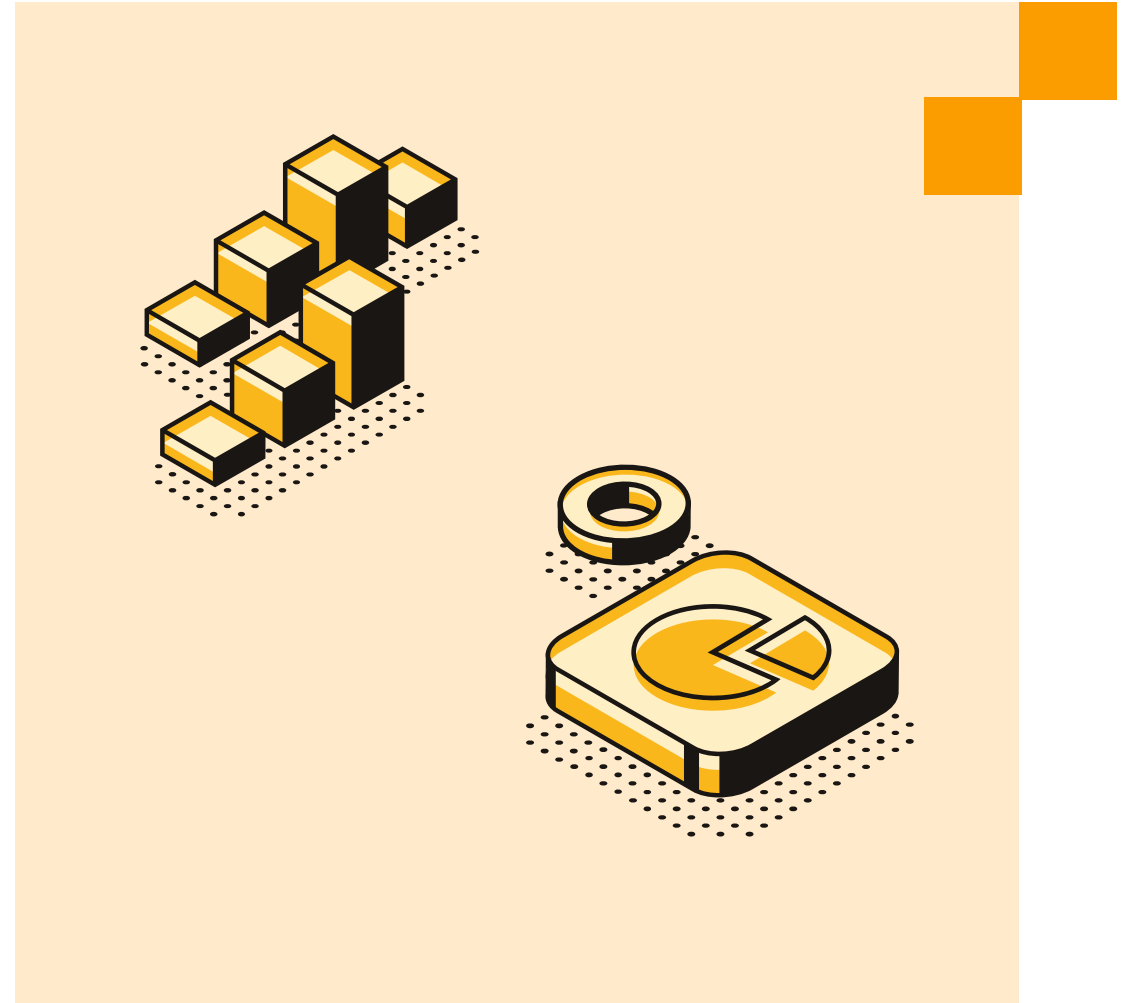
PROFIT AFTER TAX (INR Cr.)



Way Forward

Deliver on our Strategy

07



Delivering on our Strategy

Manufacture Value Add Products

- A decade ago, Nelcast shifted focus from highly competitive low complexity business to higher value-add products.
- Upgradation of manual moulding line process to fully automated state-of-art High Pressure Moulding Line.
- Increased product capability by installing a 2.1 x 1.2 m size line; becoming one of the very few casting companies in the world with such capabilities.

Expand the Export Business

- Continue to deliver quality at competitive prices compared to local manufacturers.
- Expand the long-standing relationships by increasing business share on existing products & launching new products.
- Build new relationships and expand diversity in our geography & sector split.

Improving Capacity Utilization Levels

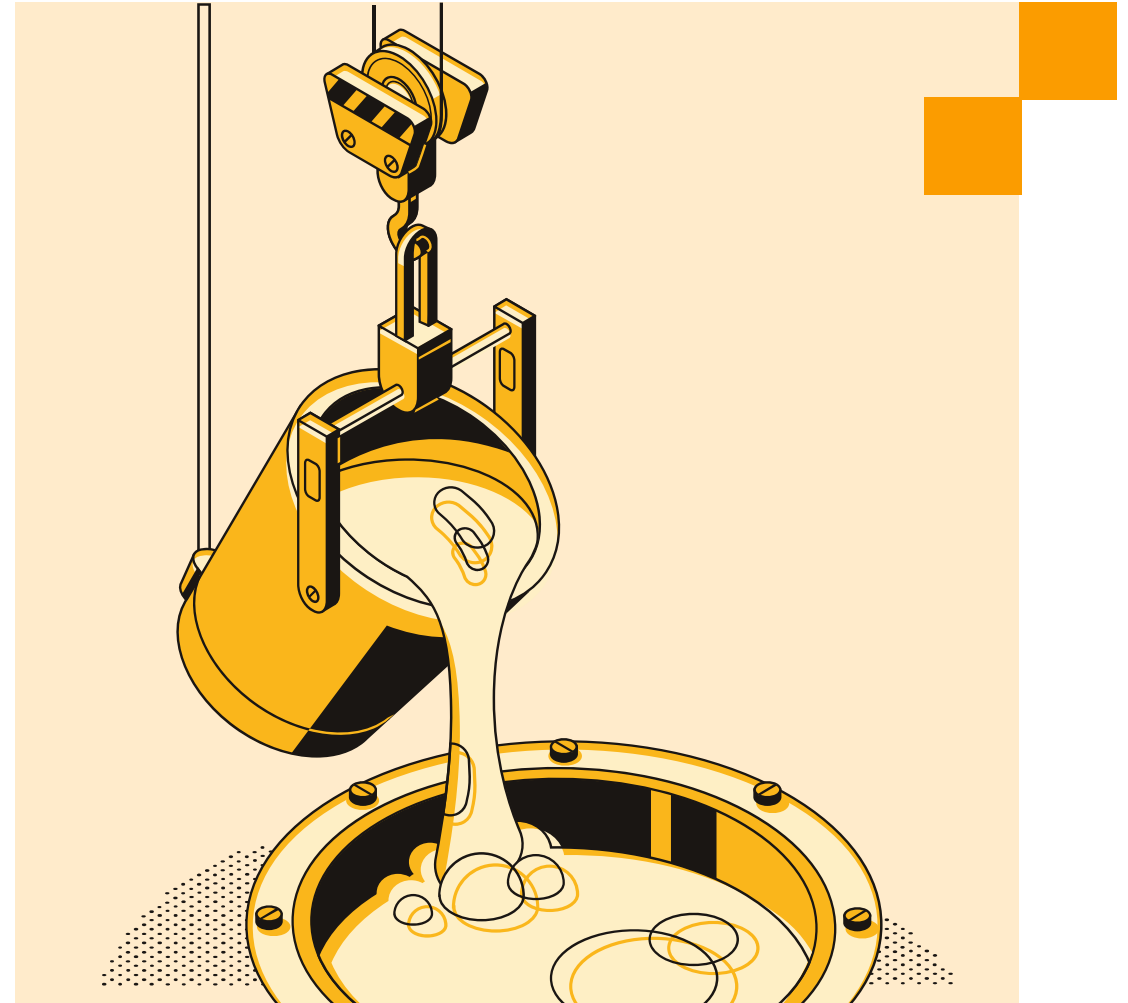
- Eliminate operational inefficiencies and bottlenecks across plants.
- Continuous launch of new products.

Cost Optimization

- Better capacity utilization levels to help Nelcast achieve economies of scale, reduce the impact of costs and aid margins.
- Efforts ongoing in energy conservation & investments in renewable energy to control power costs.
- Installed 1 MW inhouse solar power plant at Pedapariaya Plant in Andhra Pradesh, which will aid toward sustainability and cost effectiveness while reducing carbon footprint.

Company Overview

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Company at a glance



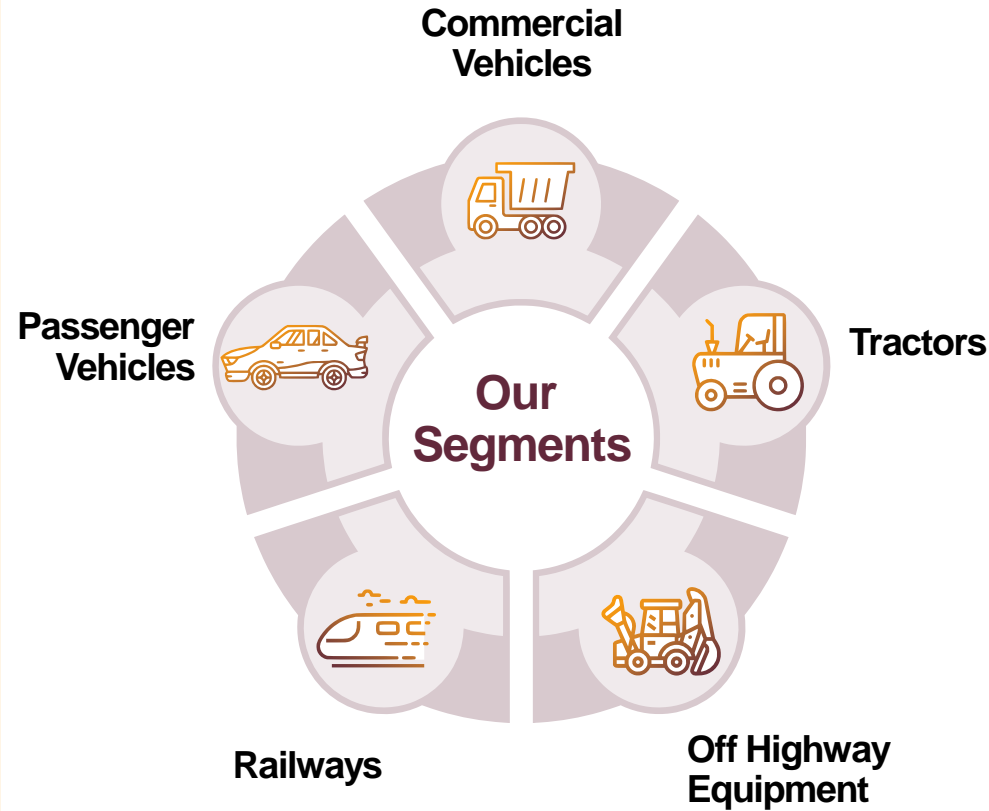
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



The Company caters to a marquee clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railway & Passenger Vehicle segments.



Besides a strong position in the domestic market, Nelcast has a rapidly growing presence spread across North America, Europe and Southeast Asia.



Where do we stand today?



Key Products



Commercial Vehicles



Forward
Differential Carrier



Rear Differential Carrier



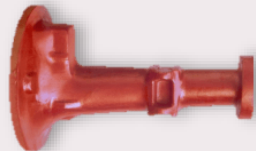
Bogie Suspension Bracket



Tractors



Transmission Housing



Rear Axle Housing



4WD Axle Housing



Off Highway Equipment



Trumpet Axle Housing



Monolithic Axle Housing



Forklift Steer Axle



Railways



Brake Disc Friction Ring



Metro Rail Baseplates



Passenger Vehicles



Differential Carrier



Differential Case

Our Well-Equipped Plants



INSTALLED CAPACITY
60,000 Metric Tons per Year

MOULDING LINES

- Line 1: DISA Flex 70 with Double Squeeze
 - 800 X 700 X 300 + 300 mm (2013)
- Line 2: DISA Flex 90 with Double Blow
 - 1230 X 1000 X 450+400 mm (2016)
- Line 3: DISA Flex 90 with Double Squeeze
 - 1230 X 1000 X 450+400 mm (2022)
- Inductotherm Flexpour Pouring Machine with synchronized pouring. Equipped with automated Metal Stream Inoculation
- Automatic Core Setting devices
- Automatic In-cycle Tool Change System



INSTALLED CAPACITY
40,000 Metric Tons per Year

MOULDING LINES

- Line 1: KW DFM with AirPressplus2000
 - 1200 X 900 X 400 + 400 mm (2001)
- ABP PressPour System delivers the metal at constant temperature with induction heating. Equipped with automated Metal Stream Inoculation System
- Automated Core Setting Device
- Automatic In-cycle Tool Change System



INSTALLED CAPACITY
60,000 Metric Tons per Year

MOULDING LINES

- Line 1: Sinto FCMX with Aeration Squeeze
 - 700 X 600 X 250 + 250 mm (2018)
- Line 2: KW MasterECO with TwinPress 4.0
 - 2100 X 1200 X 475 + 425 mm (2020)
- Loramendi SLC3-220 Core Cell with robotic core pickup & painting integrated with Conveyors, Automated Storage/Retrieval System (ASRS) and Autonomous Guided Vehicles (AGV) for core handling
- Fujiwa-Denki & Inductotherm Flexpour Pouring machines with synchronized pouring. Equipped with automated Metal Stream Inoculation System.
- Automatic Core Setting Device
- Automatic In-cycle Tool Change System

Our Journey



Nelcast Private Limited was established by P. Radhakrishna Reddy with a modest capacity of 1000 Metric tons/year



Commencement of exports to the US



Commencement of exports to Europe



Awarded the ISO 14001 (Environment) & ISO 18001 Accreditation



Commencement of exports to Thailand



Start of Production at the Pedapariya (AP) plant with fourth High Pressure Moulding Line



Crossed the Rs.400 Crores mark in exports in FY24

1980-85

1990-95

2000-05

2005-10

2010-15

2015-20

2020-Present



Start of Production at the Gudur (AP) Plant



Entry into Tractor segment



Commissioning of first High Pressure Automatic Moulding Line at Ponneri Plant



Successful IPO and listing on BSE & NSE



Entry into Off-Highway Equipment segment



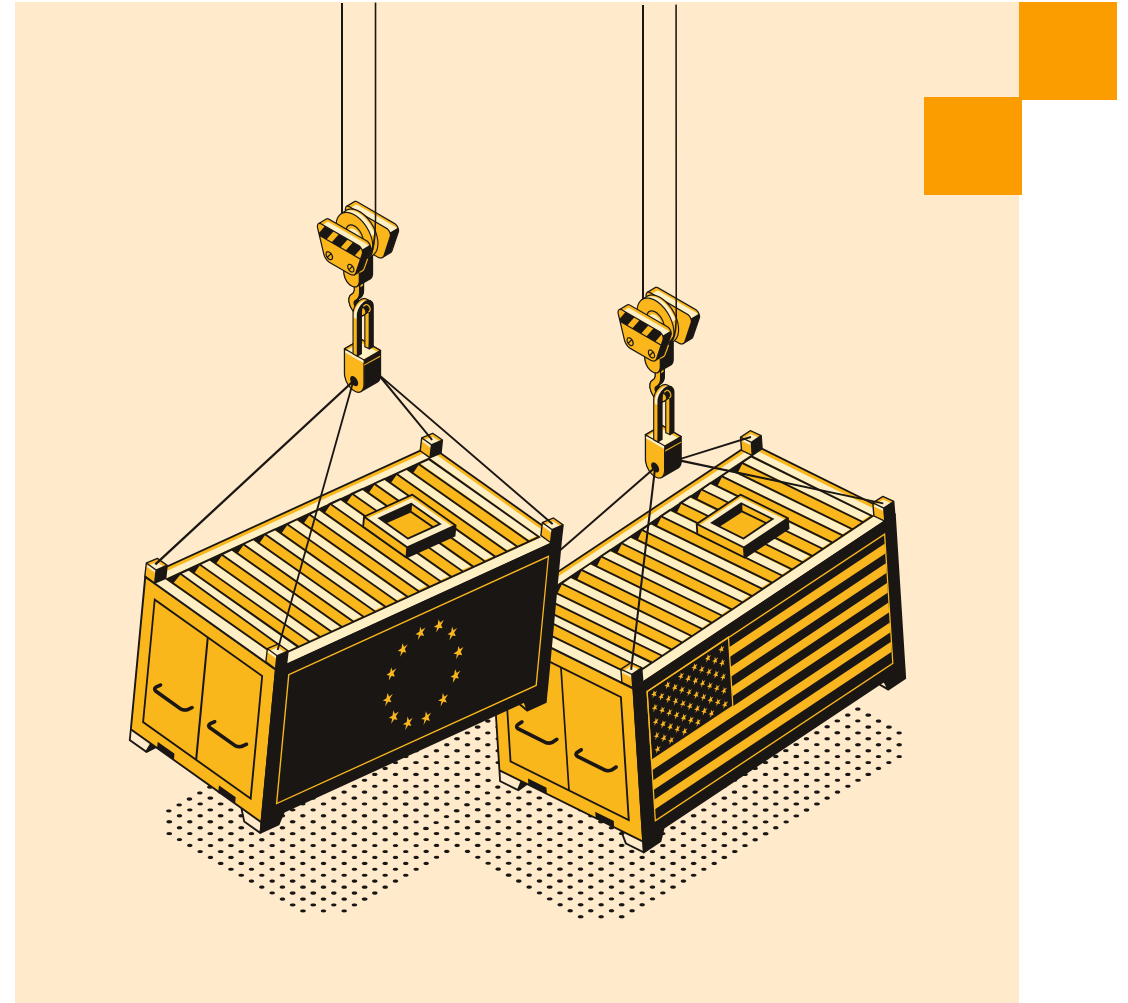
Awarded ISO 50001 Certification for Energy Management System



Modernisation of Unit-1 in Gudur with sixth High Pressure Moulding Line

Why Nelcast?

Diversified customer base with strong relationships	15
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Led by an Experienced Board	20
Focused on a Sustainable Future	21



Our Strengths



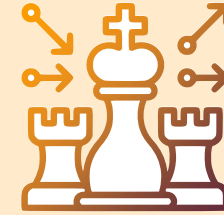
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**Diversified Customer
base with strong
relationships**



2

**Strategic
Location**



3

**Strategic Business
Foundation**



4

**Strong Export
Growth Potential**



5

**Large Market
Opportunity**



6

**Led by an
Experienced Board**

1 Diversified Customer Base with Strong Relationships

- Customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railways and Passenger Vehicles
- Has a distinguished customer base of more than 40 customers that includes OEMs and Tier 1 companies
- Serves as a strategic supplier and partner of first choice to TAFE, Tata Motors, DANA, Ashok Leyland, Automotive Axles Limited, Meritor and American Axles & Manufacturing, among others
- A one-stop shop for its customers for Grey Iron, Ductile Iron and Austempered Ductile Iron ranging from 0.5 Kg to 400 Kg
- Awards received over the past few years serve as a validation of our efforts as we focus on delivering value to our customers







Top OEM Customers



Top Tier-1 Customers

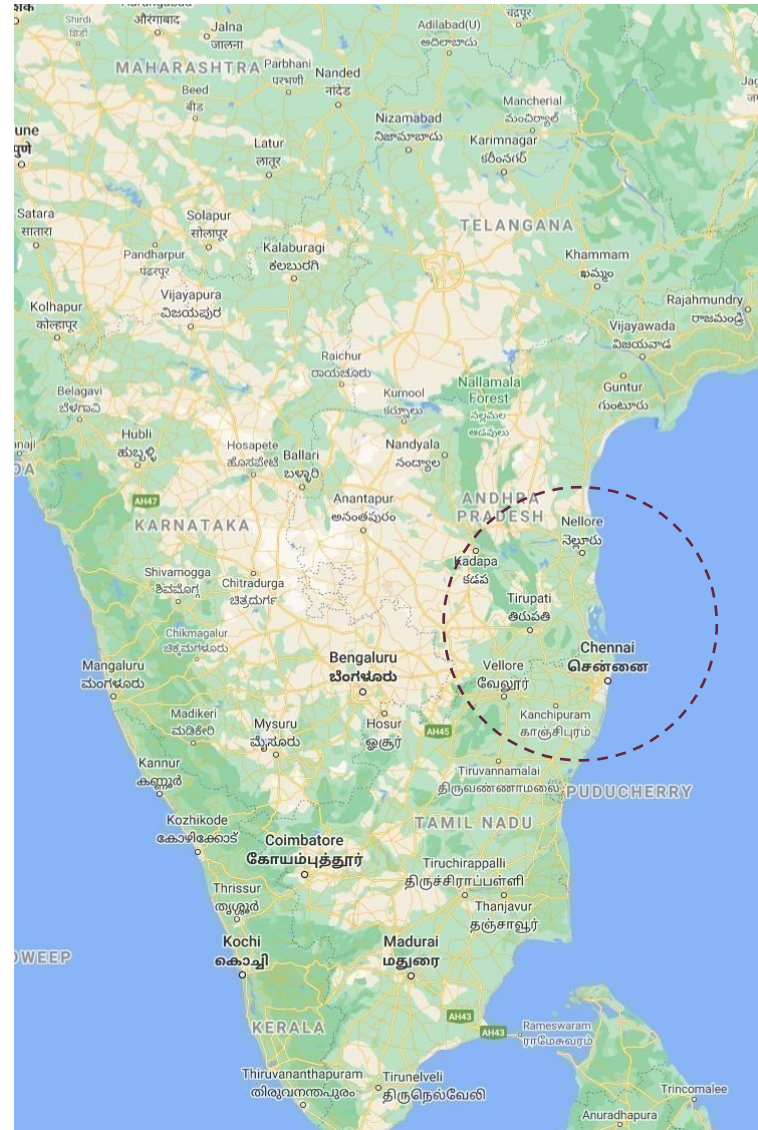


Awards

 <p>2023</p> <p>IIF – CHENNAI Best Exporter of the Year</p>	 <p>2023</p> <p>AUTOMOTIVE AXLES Excellence in New Facility Creation in Castings</p>	 <p>2023</p> <p>TATA MOTORS Award for Cost Competitiveness</p>
 <p>2022</p> <p>AUTOMOTIVE AXLES Excellence in New Product Development</p>	 <p>2022</p> <p>TATA MOTORS Extraordinary Support</p>	 <p>2021</p> <p>AUTOMOTIVE AXLES Platinum Award for Best Quality</p>

2 Strategic Location

- Plants are in close proximity (37-140 KM) to Chennai, a major manufacturing hub for automotive companies forms both a key customer base for Nelcast and a reliable source of steel scrap, a crucial raw material
- All 3 plants are within 15-110KM of India's largest source of Silica Sand near Gudur
- Chennai's International airport with direct flights to Europe, Middle-East & Southeast/East Asia makes it convenient for customers to visit and see the world class facilities firsthand
- Close proximity to Krishnapatnam & Chennai seaports gives easy access to Nelcast to reach its customers around the world

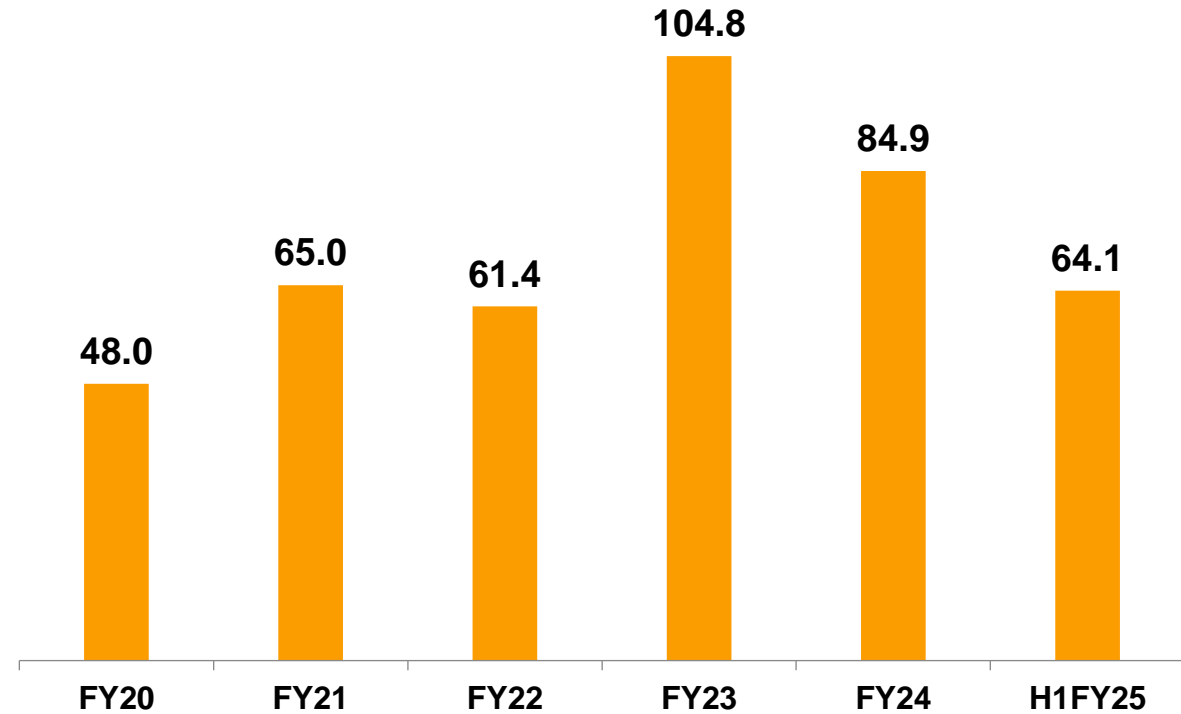


*Distance from Chennai

3 Strong Business Foundation

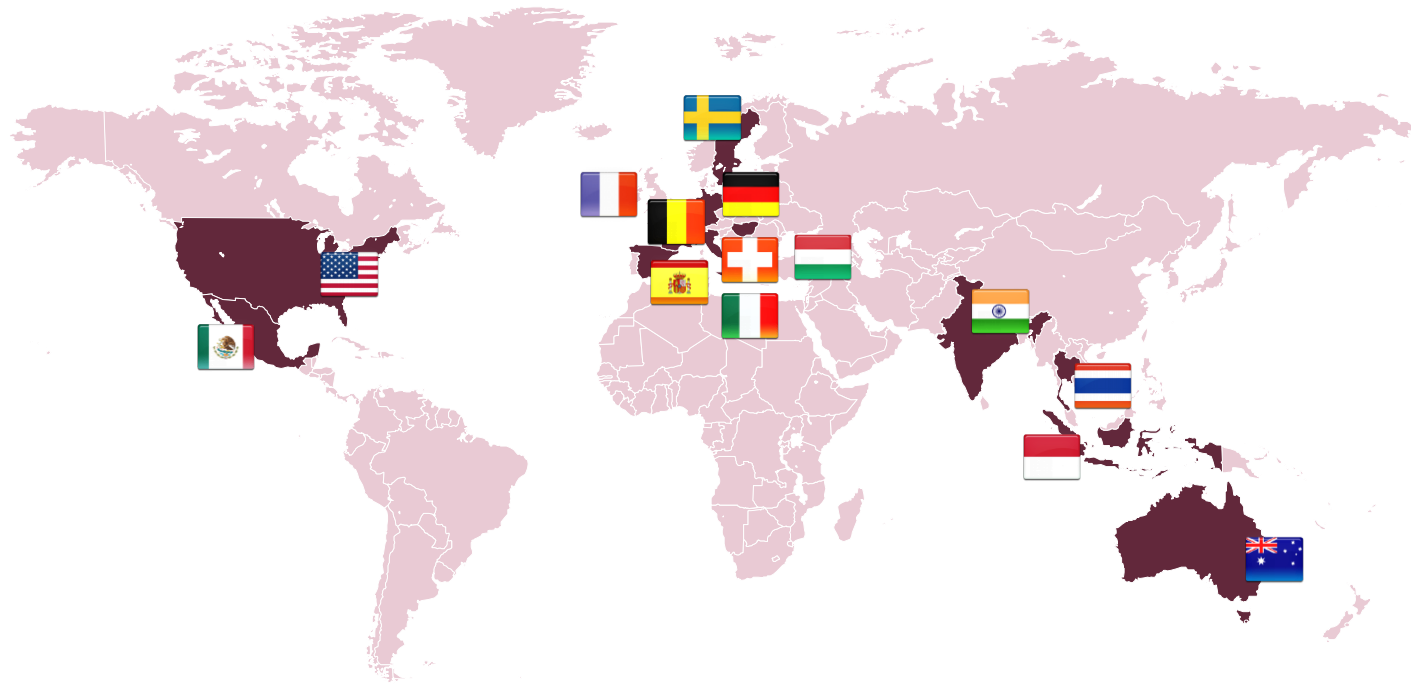
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within the existing plants with minimal investment

Cash & Cash equivalents (in Rs. Cr.)

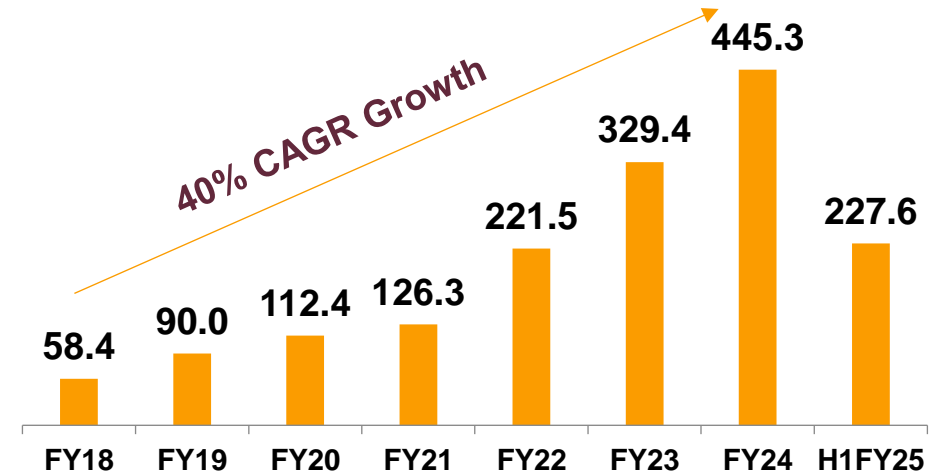


4 Strong Export Growth Potential

- India is being viewed as a key cog in the global automotive supply chain and sourcing machined castings from India is now becoming an attractive option for global customers.
- Nelcast is among only a few companies in the industry capable of meeting the requirements of top global OEMs & Tier 1s.
- Currently, Nelcast exports machined castings to reputable corporates in North America, Europe and Southeast Asia.



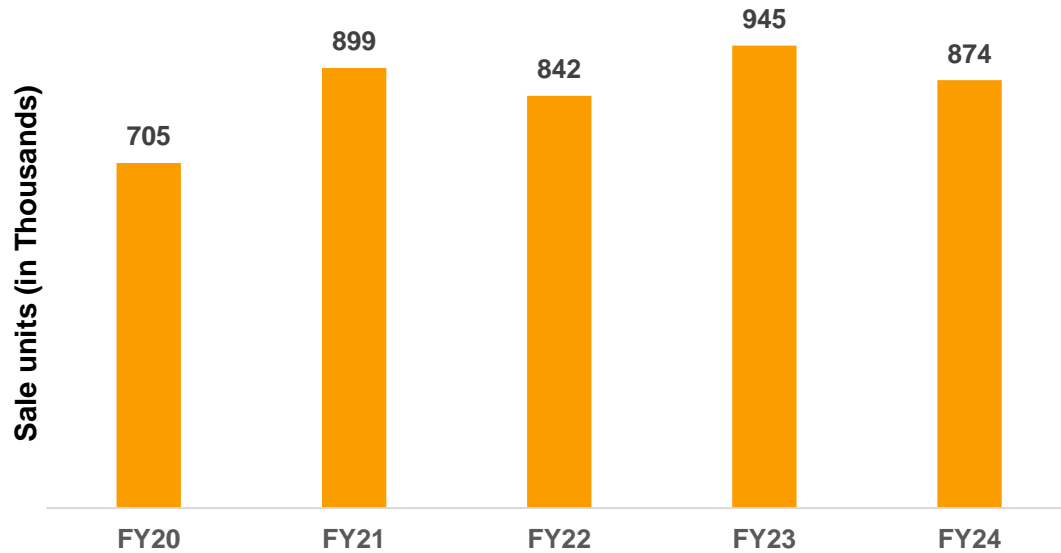
Revenue from Exports (in Rs. Cr.)



5 Large Market Opportunity

Indian Tractor Industry

The Industry remained sluggish in FY2024;
Anticipated to see an uptick in growth by 3-5% in FY25

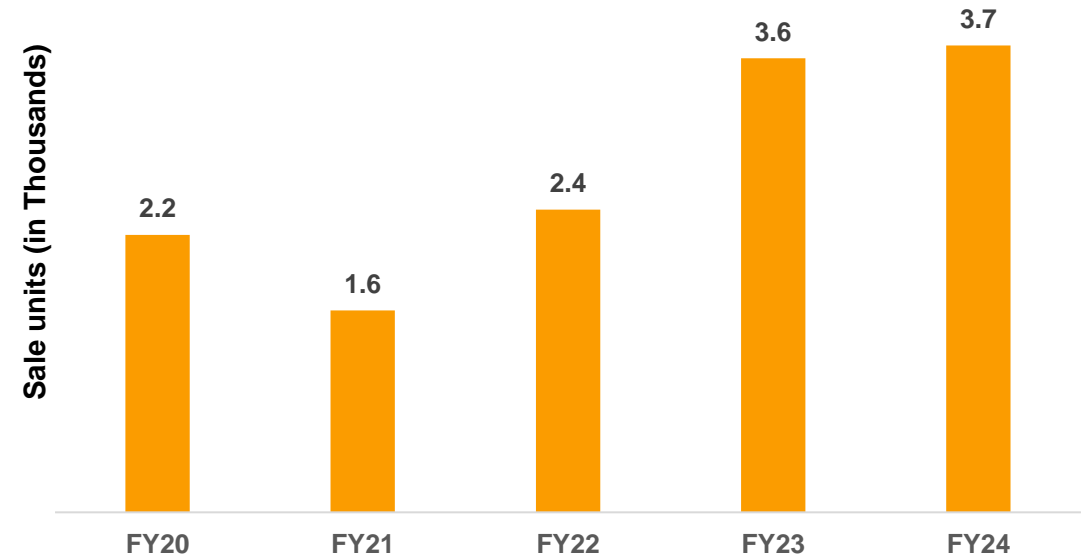


Source: Tractors and Mechanization Association

The tractor sales in India have witnessed a steep decline in key states in west and south in the first 9 months of the fiscal year. The slowdown was due to the tapering of agricultural activities. However, the domestic tractor market is expected to regain the momentum and achieve modest growth of 3-5% in FY25, driven by the expectation of normal monsoon, new government formation and good replacement demand.

Indian M&HCV Industry

Domestic M&HCV sales crossed 3,50,000 units in FY2024



Source: SIAM, CMIE

The domestic commercial vehicle industry saw a marginal increase of 4% YoY, this growth was tempered by a decline in the Light Commercial Vehicles(LCVs) and SCVs categories primarily due to degrowth in CNG segment. However, the market is expected to regain the momentum post the general elections.

6 Led by an Experienced Board



D. Sessa Reddy
Chairman

- Chairman of Dodla Dairy and Nelcast
- Possesses wide industrial entrepreneurial experience
- Has been on the Board of Nelcast since its inception



P. Deepak
Managing Director

- MBA from Kellogg School of Management
- MS in Engineering Management
- Industrial experience at M/s. Federal-Mogul Corp., USA, M/s. Nelcast USA Inc. and M/s. Deere & Company



P. Divya
Director

- MS in Network Information Systems, BE degree with Honours in Computer Engineering
- Managed various projects globally, ultimately specializing in Change Management & Governance at Deutsche Bank



R. Sridharan
Director

- Graduate from Madras University
- Served as the Managing Director & Group Executive of SBI, and MD of Clearing Corporation of India Limited and its wholly owned subsidiary Clearcorp Dealing Systems India Limited



A. Balasubramanian
Director

- Bachelors degree in Science and a Chartered Accountant
- About 35 years of experience in the areas of Banking, Finance and Management
- Worked in Punjab National Bank for about 30 years at various capacities and retired as Chief General Manager



Maheswari Mohan
Director

- Post Graduate in M.A (Psychology) and LL.M (IPR & Cyber Laws). Certified by Indian Institute of Arbitration & Mediators, Cochin
- About 29 years of experience in the field of law, practicing in High Courts representing Corporate/MNC's/General public



Vinod K Dasari
Director

- MBA from Kellogg and a Master's in Engineering Management from McCormick, Northwestern University,
- Over 35 years in diverse roles including MD of Timken India, joint MD at Cummins India, and CEO/MD of Ashok Leyland and Royal Enfield, where he propelled the brand to success.

Focussed on a Sustainable Future

- **Renewable energy:**

About 60% of the power requirement is met through renewable sources

- Plantation of trees
- Core sand reclamation
- Building with bricks made out of waste black sand



Protecting the Environment



Giving back to the Community

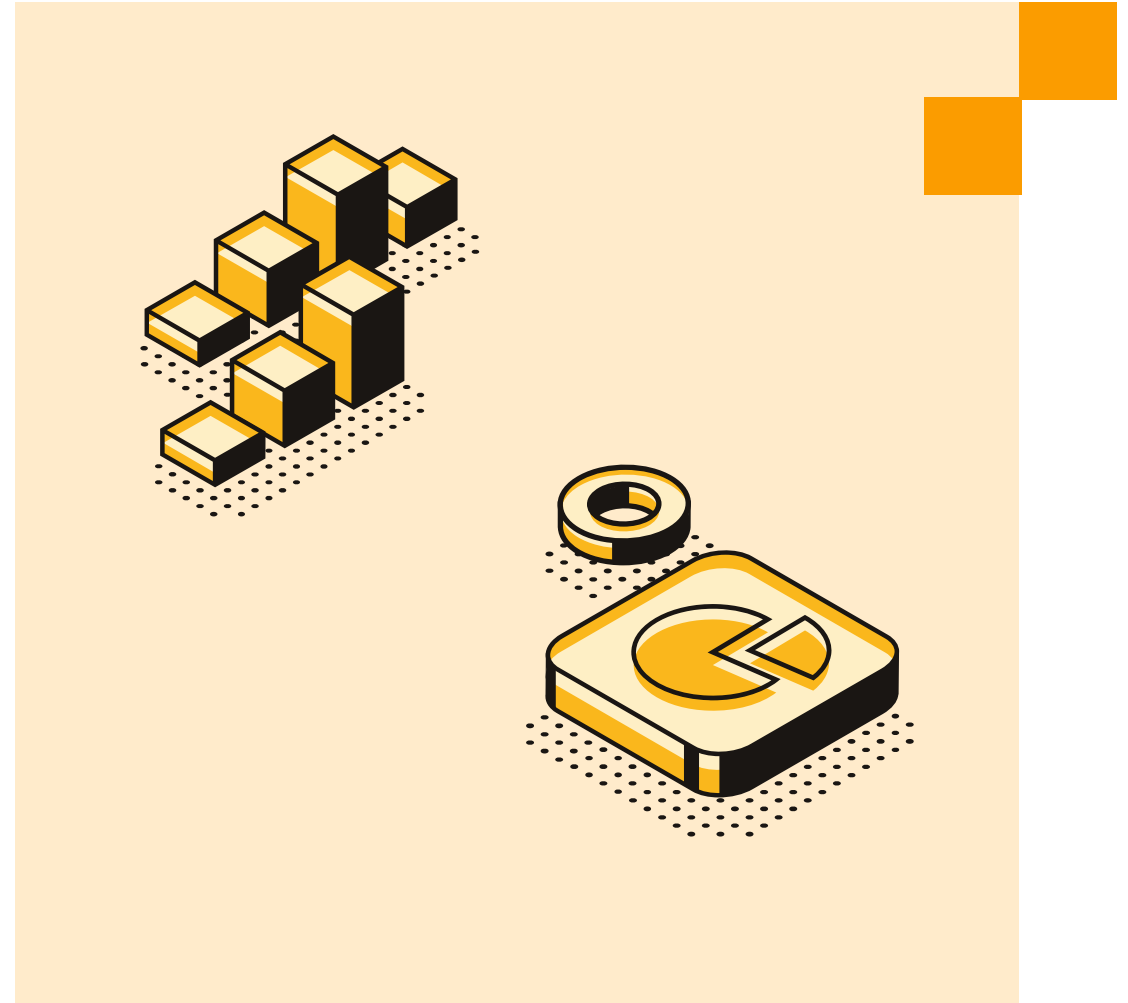
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



Annual Financials

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Balance Sheet Highlights 25



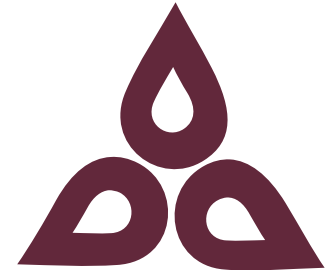
Profit & Loss Highlights

Consolidated (in INR Cr.)	FY20	FY21	FY22	FY23	FY24	H1FY25
Revenue from Operations	566.8	615.0	927.3	1,264.0	1,266.9	630.5
Total Income	580.4	619.9	936.7	1,280.1	1,281.2	637.4
Total Expenses	549.6	607.6	917.7	1,184.6	1,174.7	589.0
EBITDA	61.9	51.3	67.5	95.5	106.5	48.4
D&A	18.5	21.7	22.6	24.0	24.1	12.0
EBIT	43.3	29.5	44.9	71.5	82.4	36.4
Finance cost	12.5	17.2	25.8	31.2	31.6	17.1
PBT (after exceptional items)	30.8	12.3	19.1	40.3	68.6	23.1
Total Tax Expense	-5.2	3.3	4.8	10.6	14.2	5.3
PAT	36.0	9.0	14.2	29.7	54.4	17.8

Balance Sheet Highlights

Consolidated (in INR Cr.)	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Sep'24
Total non-current assets	474.0	474.3	484.0	488.1	524.6	531.2
Inventories	128.1	118.4	158.7	158.2	189.7	173.7
Trade receivables	112.6	164.2	240.4	255.9	300.9	327.3
Cash & cash equivalents	48.0	65.0	61.4	104.8	84.9	64.1
Total current assets	304.5	365.5	479.1	540.4	607.0	597.2
Total assets	778.6	839.7	963.0	1,028.5	1,131.6	1,128.3
Equity	422.9	432.8	444.4	471.1	521.9	536.0
Long-term Borrowings	141.0	107.5	137.4	100.7	98.0	78.6
Total non-current liabilities	174.5	144.5	178.4	144.7	144.0	125.3
Short-term Borrowings	84.1	107.2	142.1	203.0	231.0	227.8
Trade Payables	80.6	128.0	180.6	182.7	213.6	217.5
Total current liabilities	181.2	262.4	340.3	412.6	465.8	467.0
Total equity and liabilities	778.6	839.7	963.0	1,028.5	1,131.6	1,128.3

NELCAST
LIMITED



Thank You

For further details please contact:

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