



29th January 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 Ltd**

(S.K. SIVAKUMAR)
Company Secretary

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CIN : L27109AP1982PLC003518

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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

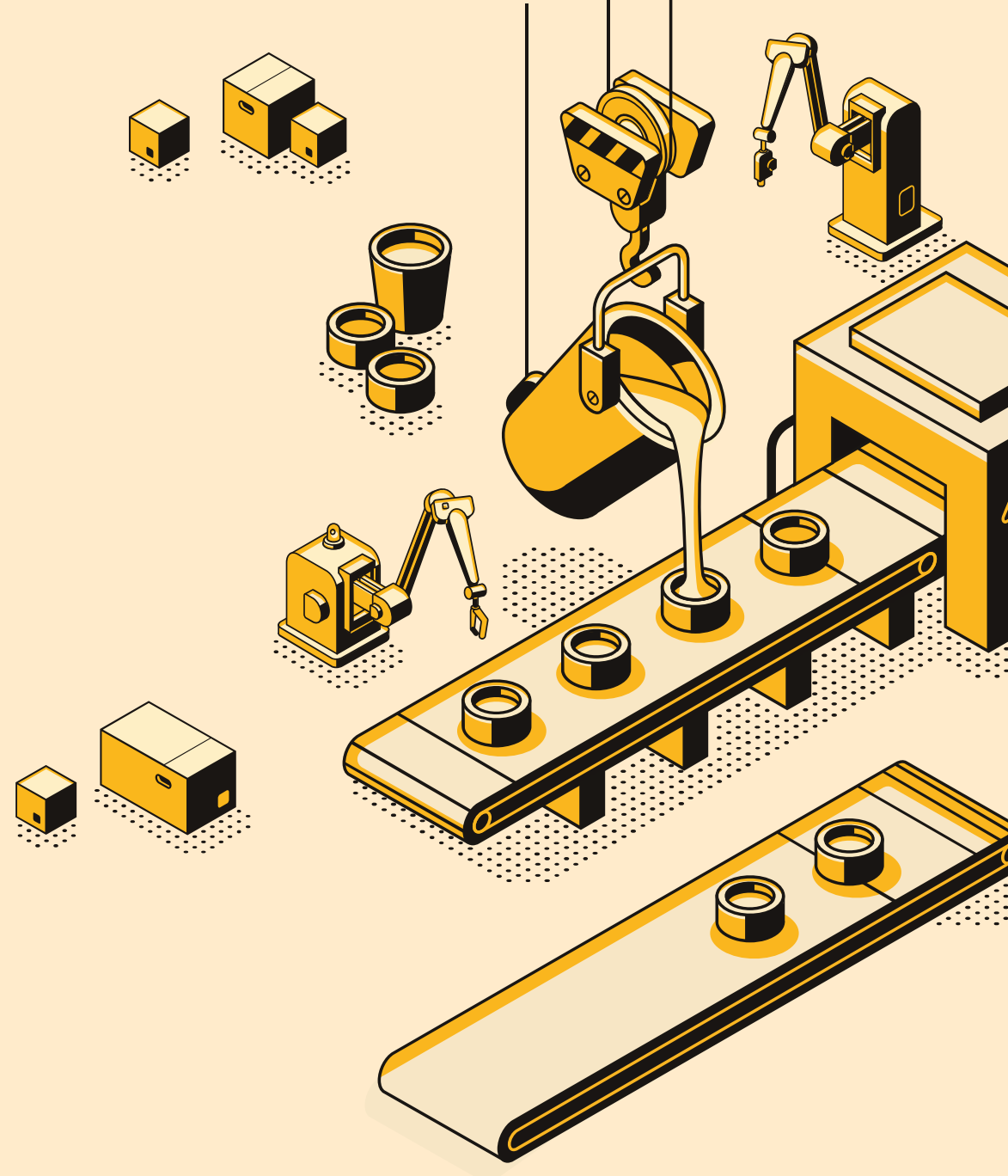
NELCAST
LIMITED



Investor Presentation

January 2024

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

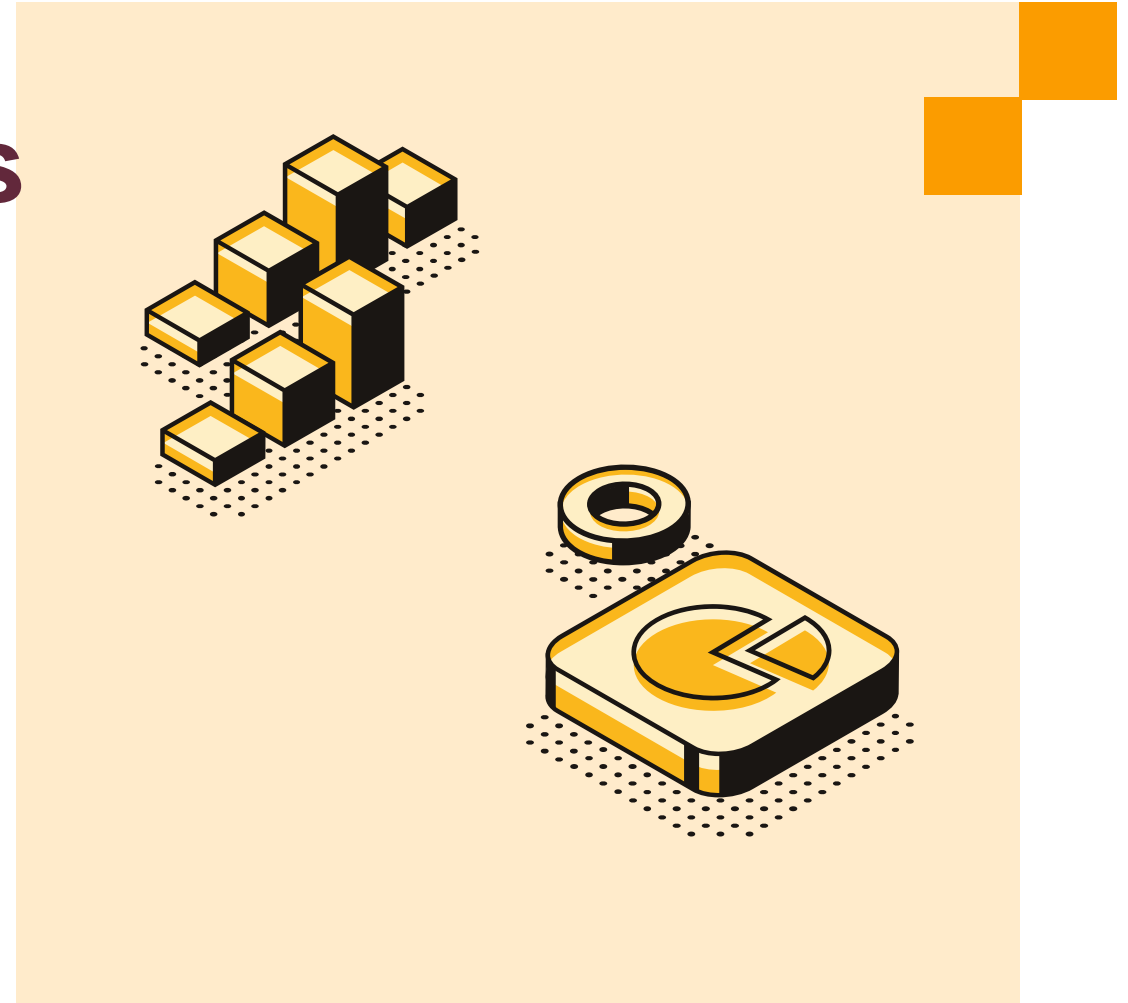


Q3 & 9MFY24 Highlights

Key Developments & Outlook 03

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Key Developments & Outlook

PARTICULARS	CURRENT (Q3 FY24)	OUTLOOK (FY25)
Overall Performance	Revenue growth was dragged due to subdued performance in M&HCV and tractors, supported by strong performance in exports.	Going forward, key growth drivers will be exports and recovery in domestic market.
Tractors	Segment's performance was in-line with the industry and hence, remained subdued.	Expected to report modest growth in the next year.
Medium & Heavy Commercial Vehicles (M&HCV)	Remained flat due to decrease in vehicle production by OEMs.	With increase in infrastructure spends by the Government and pick-up in construction activity, we expect a strong growth trajectory.
Exports	<p>Successfully sustained the run-rate of Rs. 100 Crore per quarter and clocked Rs. 119 Crores in Q3FY24 driven by strong order book.</p> <p>We are confident of achieving our revenue target of Rs. 400 Crores from exports in FY24, as we touched Rs. 339 Crores in 9MFY24.</p>	Expect strong growth on the back of existing order book and additional contribution from new product launches in H1FY25.
EBITDA/kg	Witnessed a drop in EBITDA/kg on a QoQ basis due to high base effect and normalization of raw material prices.	Going forward, we expect EBITDA/kg to expand driven by the sustained strong performance in exports alongside increase in capacity utilization leading to improved operational efficiency.

Profit & Loss Highlights

Consolidated (in INR Cr.)	Q3FY24	Q3FY23	YoY %	Q2FY24	QoQ %	9MFY24	9MFY23	YoY %
Total Revenue	323.0	333.7	(3.2) %	362.6	(10.9) %	982.0	964.9	1.8%
EBITDA	28.2	21.3	32.5%	36.1	(21.7) %	87.2	74.7	16.8%
EBITDA Margin %	8.7%	6.5%	223 bps	9.9%	(121) bps	8.9%	7.8%	110 bps
EBITDA/kg	12.1	10.0	20.7%	14.9	(18.9) %	13.0	11.9	9.4%
PAT ¹	25.5	5.3	379.0%	16.6	53.4%	49.4	25.3	95.5%
PAT Margin %	7.9%	1.6%	631 bps	4.6%	332 bps	5.0%	2.6%	241 bps

REVENUE

₹323_{CR}

Q3FY24 revenue growth was impacted due to subdued performance in tractors and M&HCV; partially offset by strong performance in exports.

EBITDA/KG

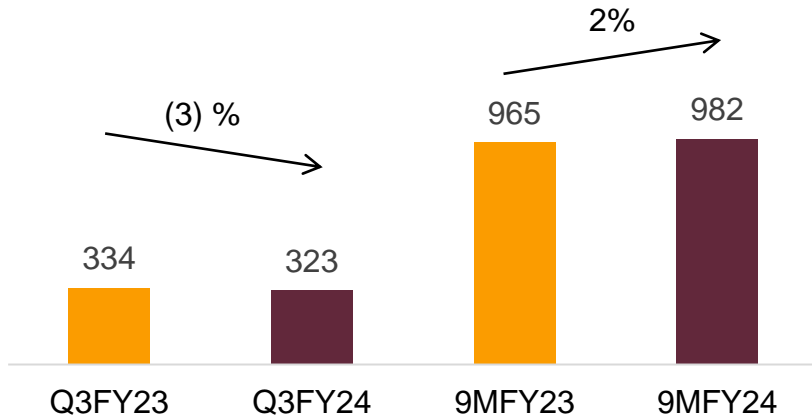
₹12.1

QoQ drop was due to high base of last quarter that benefitted primarily from decrease in raw material prices. Our plan to touch ₹12/kg in FY24 remains intact as we report ₹13/kg in 9MFY24.

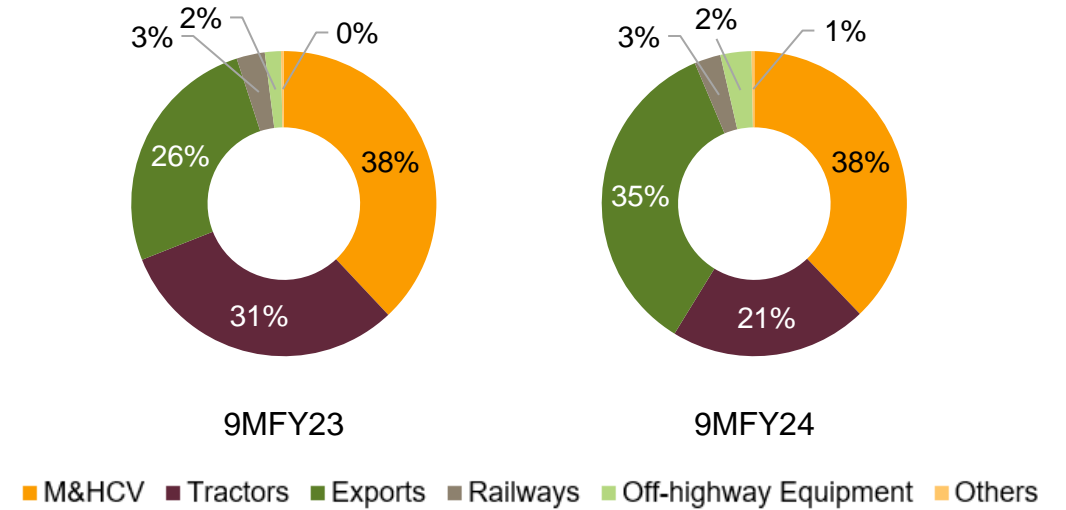
Note: 1. Includes exceptional income of Rs. 17.3 Crores on account of profit on sale of land.

Story in Charts

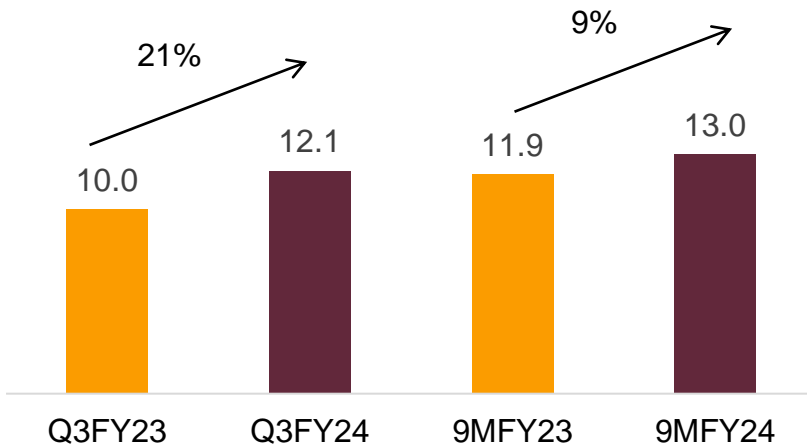
TOTAL REVENUE (INR Cr.)



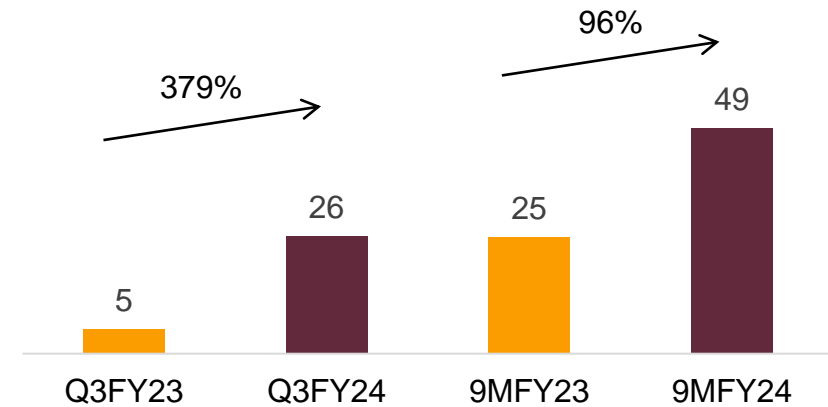
SECTOR-WISE REVENUE (%)



EBITDA/KG (INR)



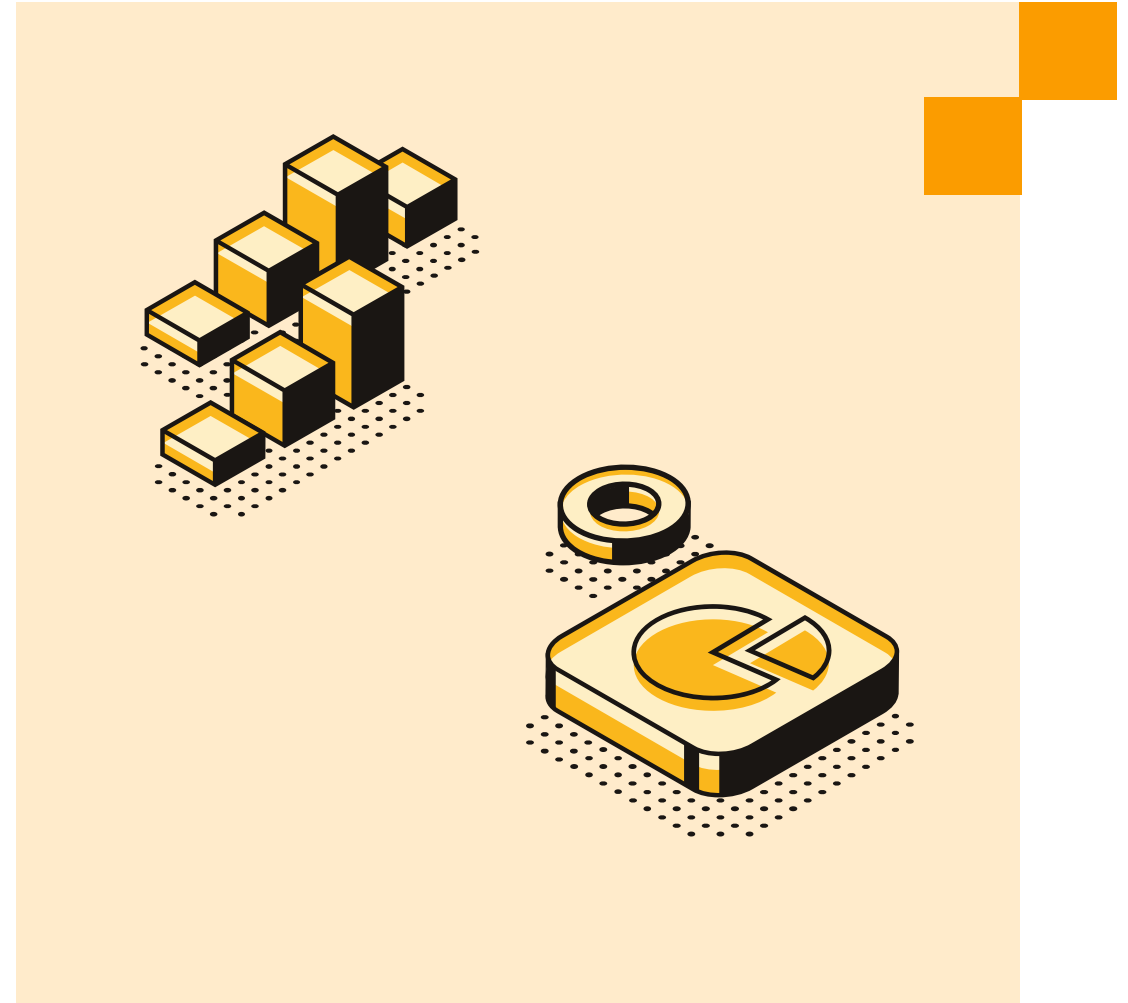
PROFIT AFTER TAX (INR Cr.)



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

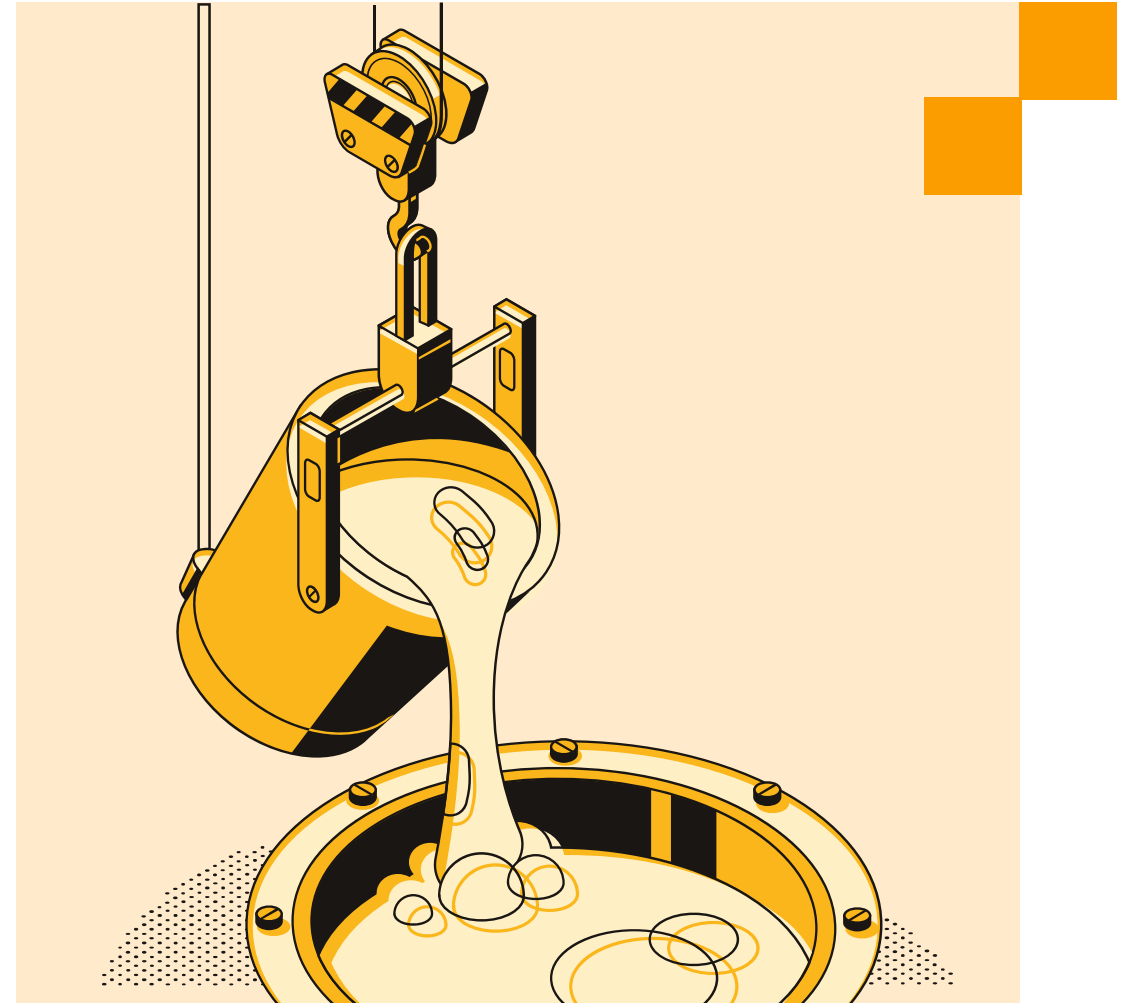
- Eliminate operational inefficiencies and bottlenecks across plants.
- Continuous launch of new products.

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.

Company Overview

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Company at a glance



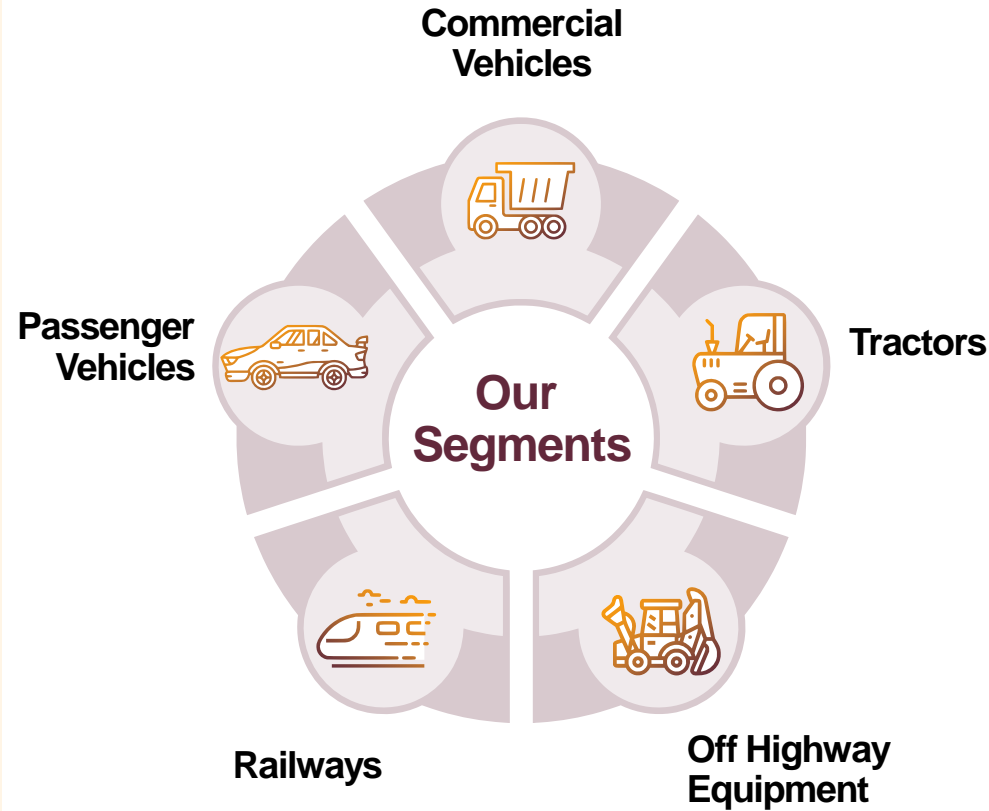
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



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?

LARGEST PRODUCER
of Ductile Iron Castings

TOP 10 PRODUCER
of Grey Iron Castings

ONLY CASTING MANUFACTURER
with a product range from 0.5-400Kg

STRONG CUSTOMER BASE
with supplies to 40+ customers across segments

STATE OF ART MANUFACTURING FACILITIES
for High Pressure Green Sand Moulding

IATF & ISO CERTIFIED
for Quality, Environment, Health & Safety Systems

Key Products



Commercial Vehicles



Forward
Differential Carrier



Rear Differential Carrier



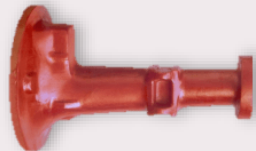
Bogie Suspension Bracket



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

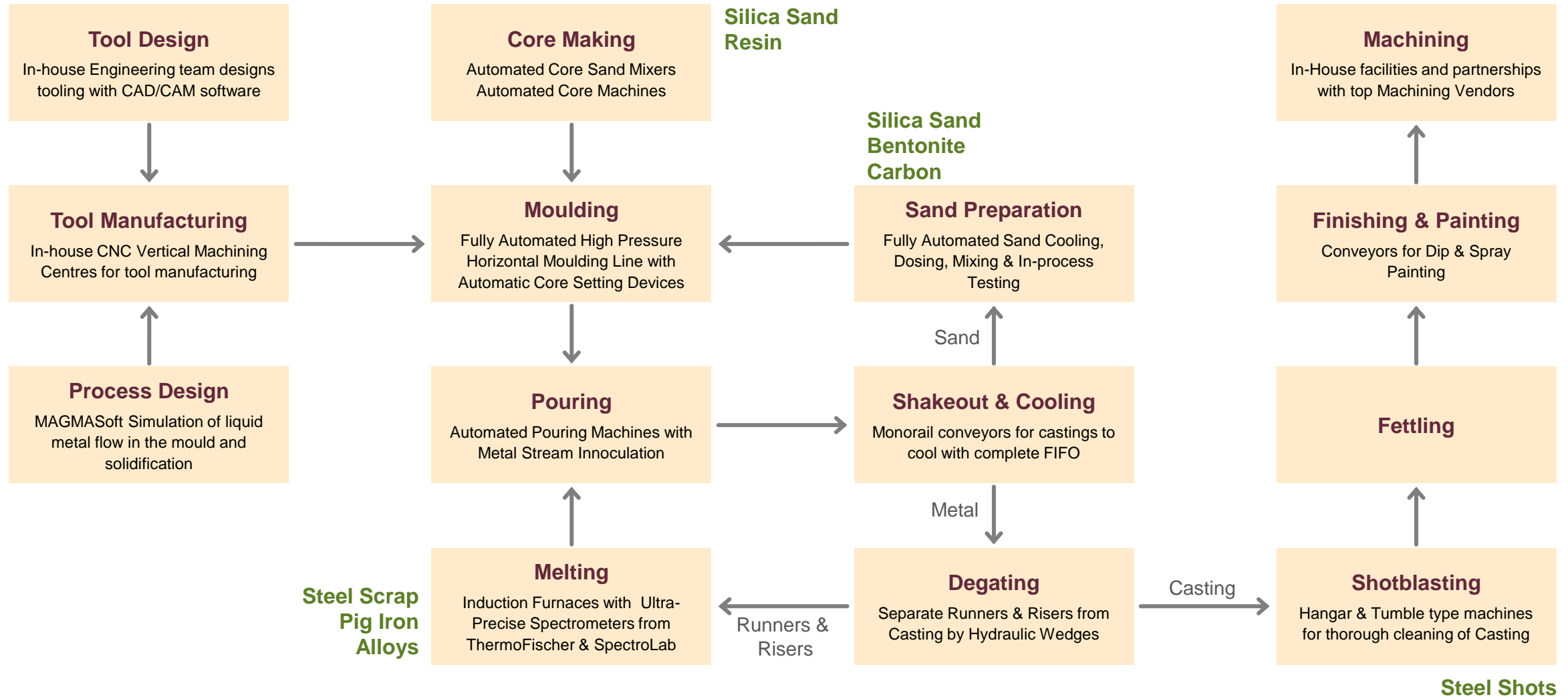


Differential Carrier



Differential Case

Manufacturing Process & the Nelcast Advantage



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.300 Crores mark in exports in FY23

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



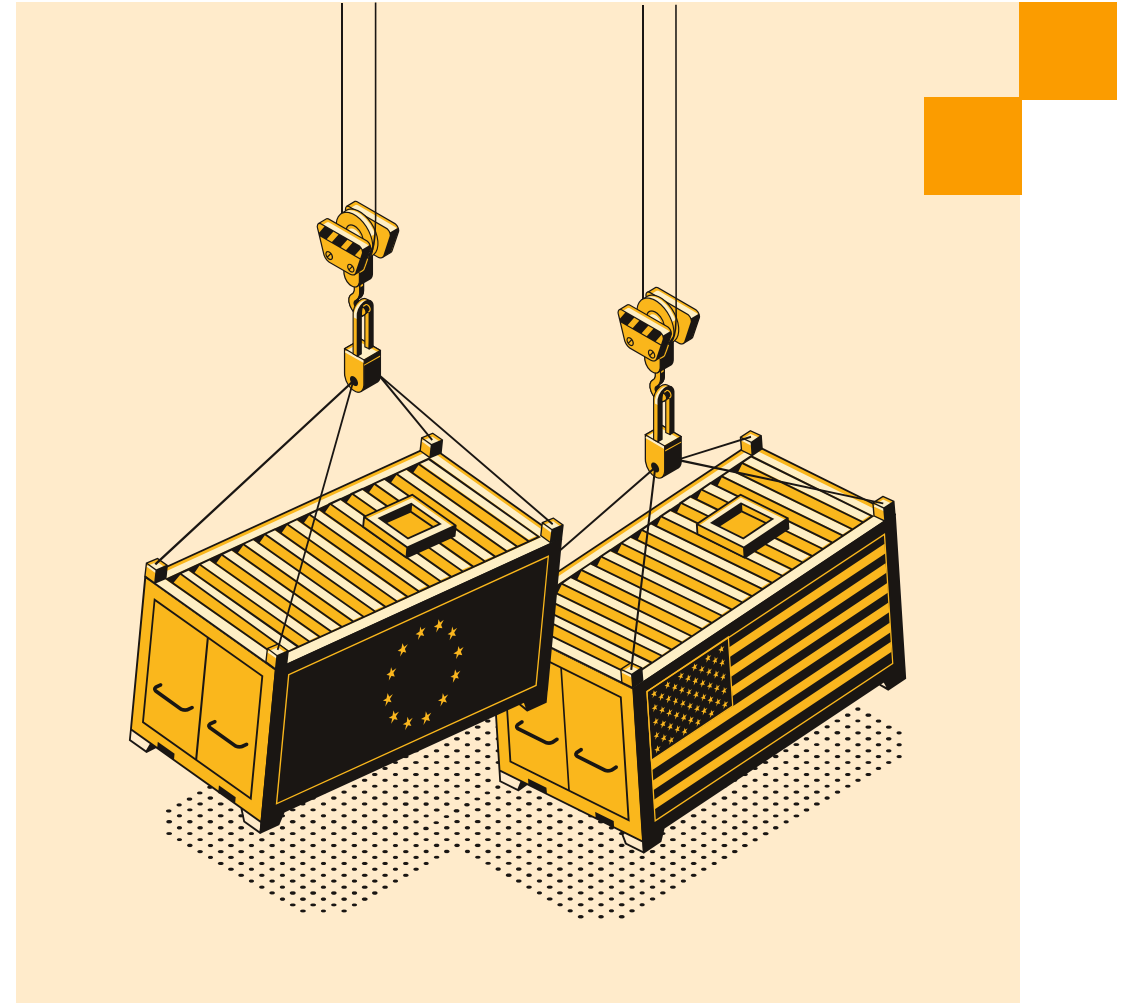
Awarded ISO 50001 Certification for Energy Management System



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
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Our Strengths



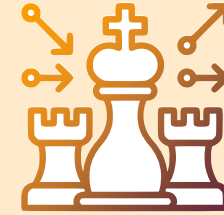
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**Diversified Customer
base with strong
relationships**



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

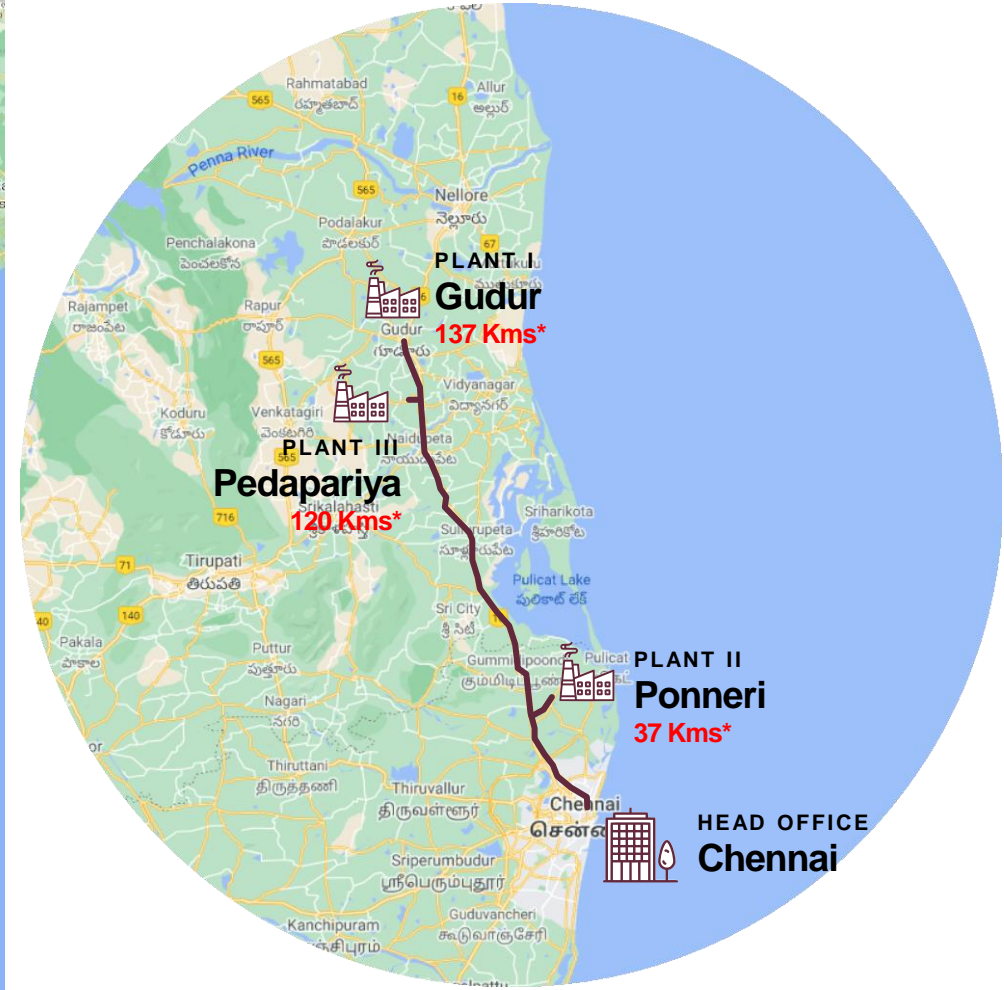
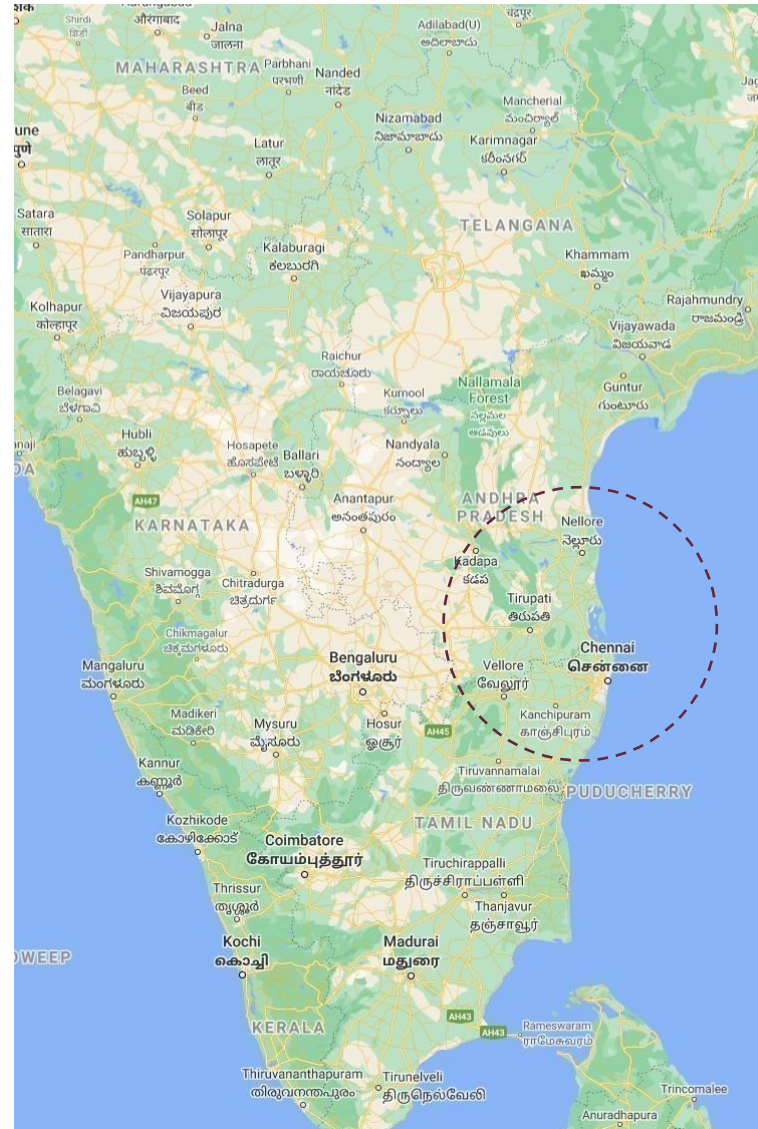


Awards

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

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

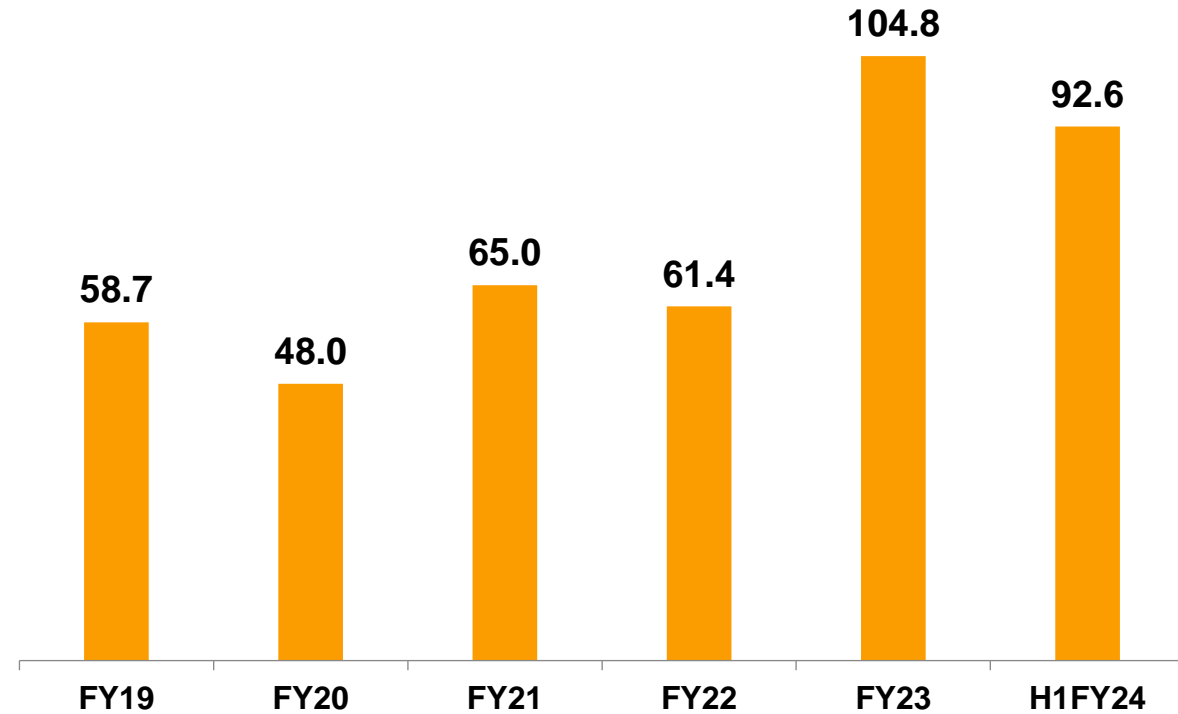


*Distance from Chennai

3 Strong Business Foundation

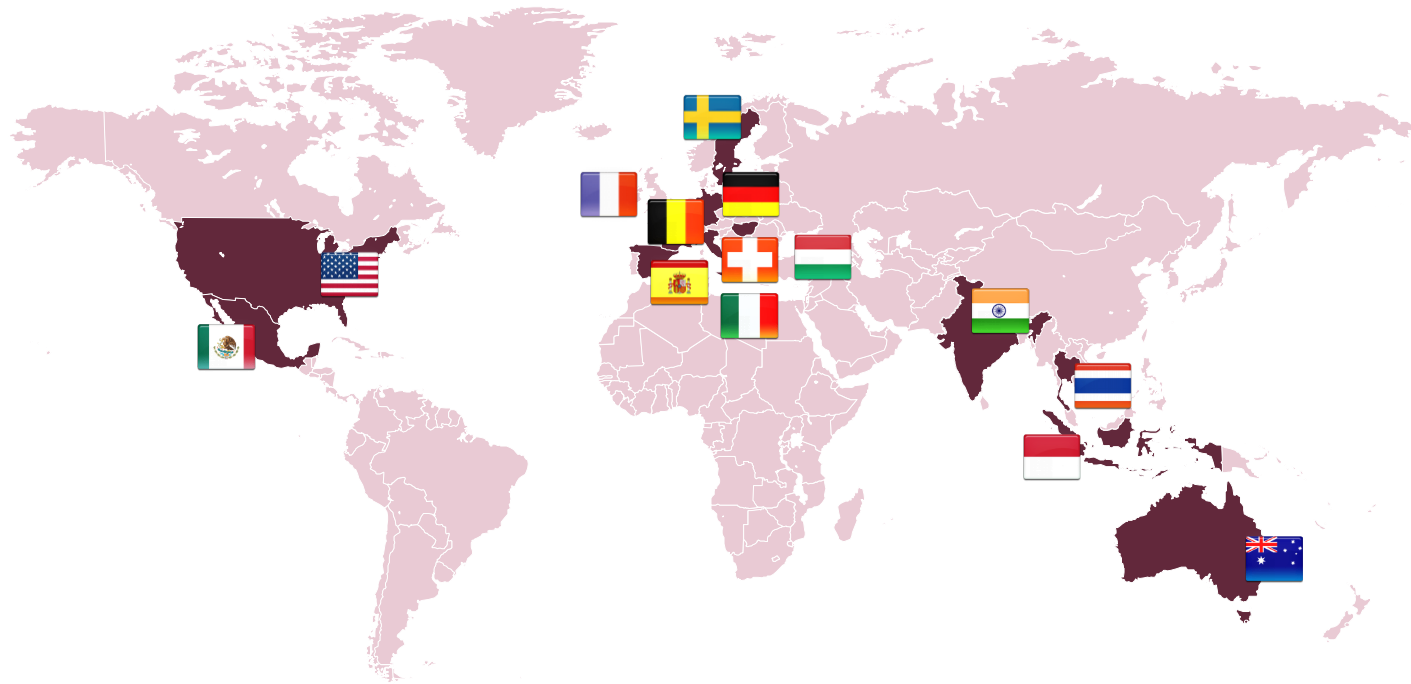
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within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

Cash & Cash equivalents (in Rs. Cr.)

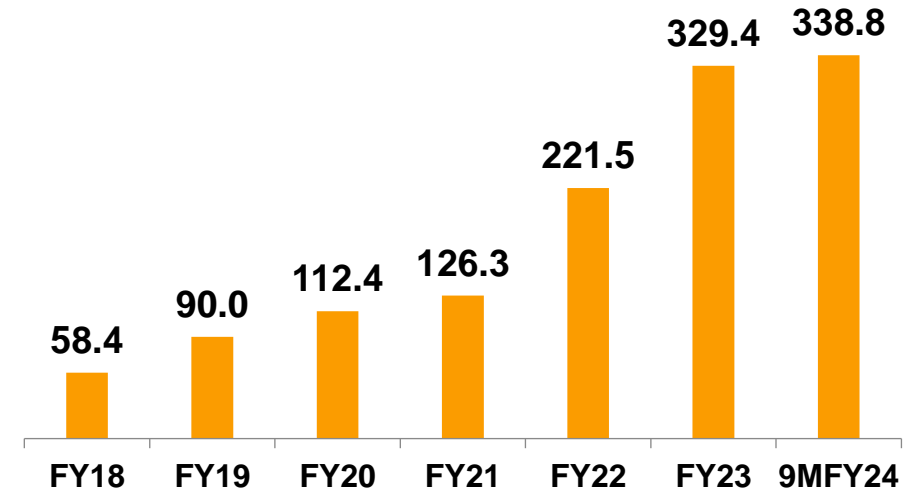


4 Strong Export Growth Potential

- 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.



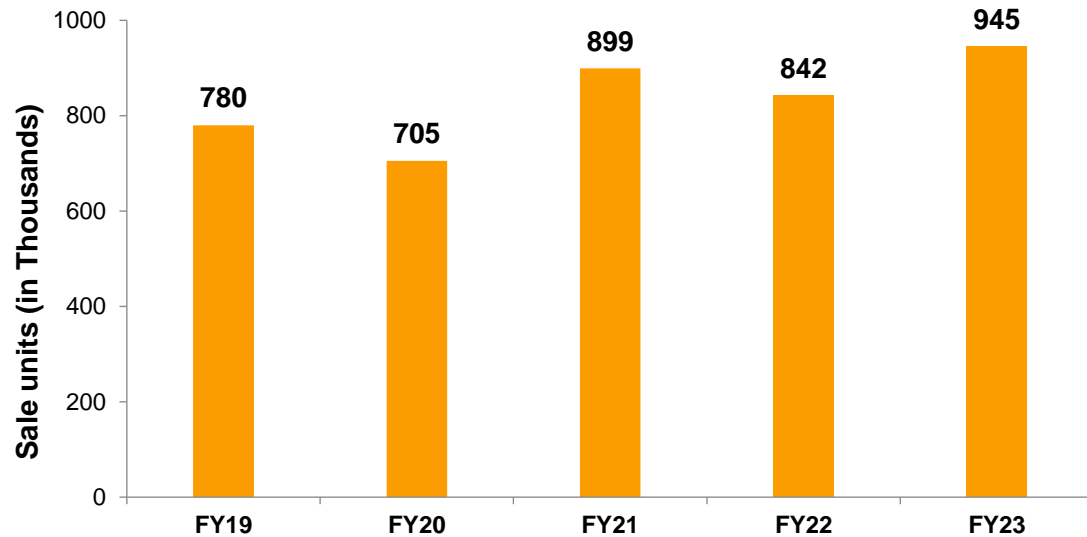
Revenue from Exports (in Rs. Cr.)



5 Large Market Opportunity

Indian Tractor Industry

Industry volumes touched all-time high in FY2023; expected to remain stable

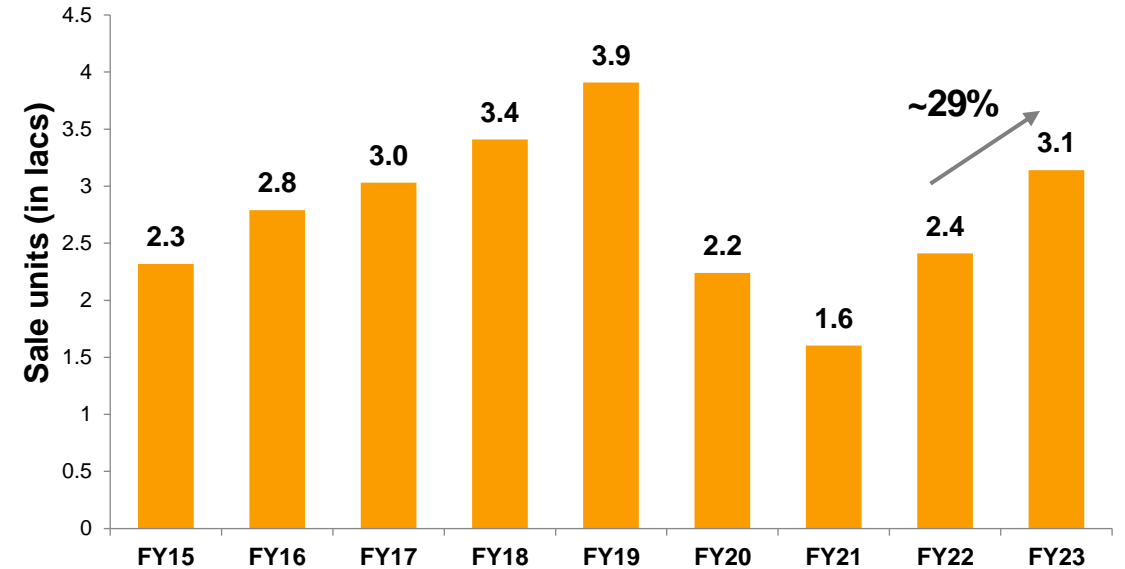


Source: Tractors and Mechanization Association

The tractor demand declined in FY22 due to delayed harvests and stagnant rural wage growth. However, the industry had a strong FY2023 driven by rise in minimum support prices which led to an increase in farm income, another year of above-average monsoon coupled with technological advancements.

Indian M&HCV Industry

Domestic M&HCV sales crossed 300,000 units in FY2023



Source: SIAM, CMIE

The heavy-duty trucks observed strong growth with high demand for freight movement, following an uptake in construction and manufacturing activity.

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.

Focussed on a Sustainable Future

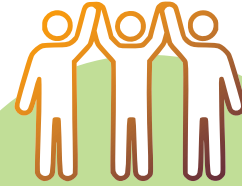
- **Renewable energy:**

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

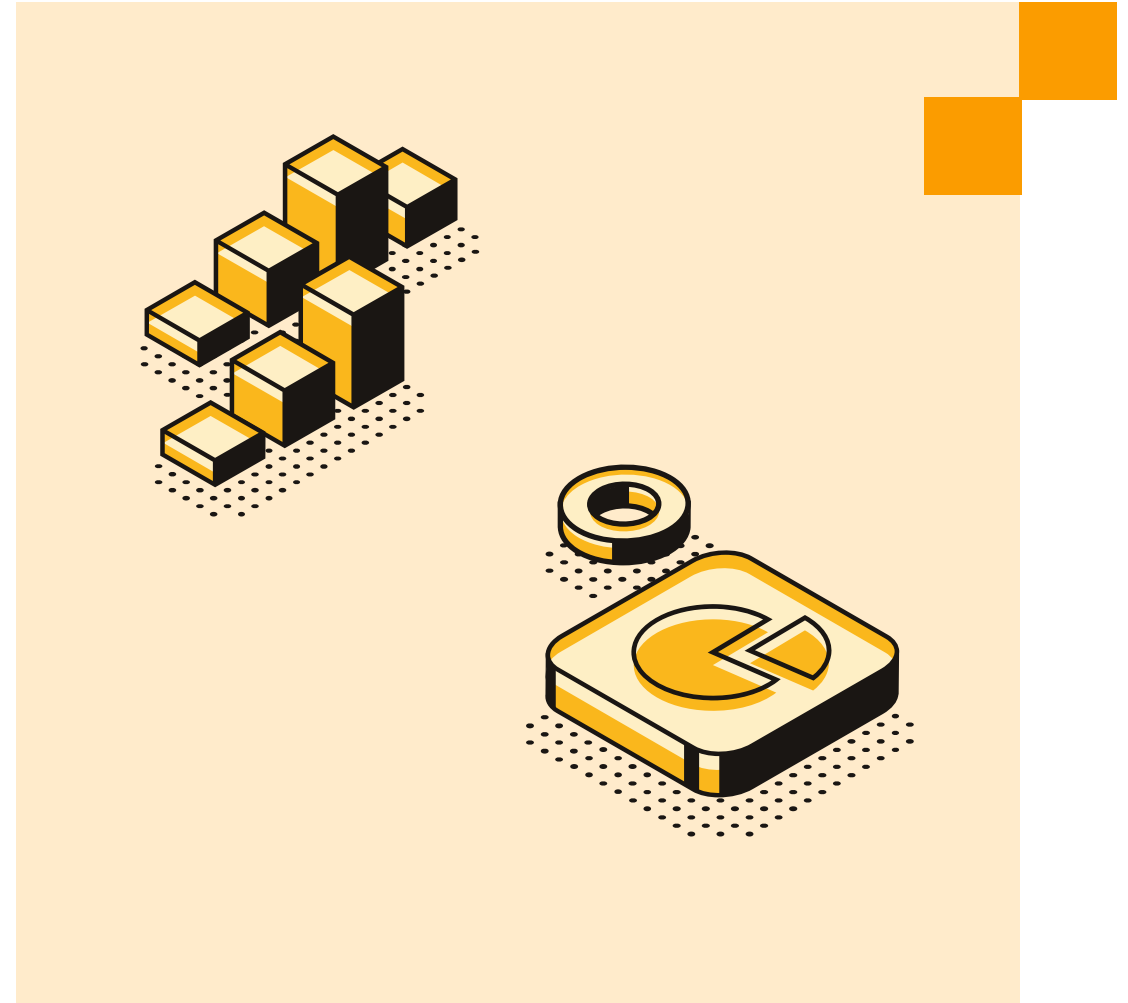
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



Annual Financials

Profit & Loss Highlights 24

Balance Sheet Highlights 25



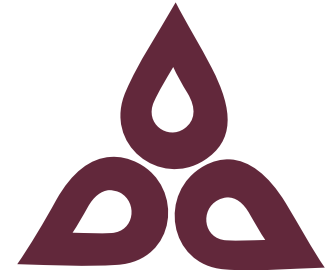
Profit & Loss Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	856.27	566.76	614.97	927.34	1,263.97
Total Income	862.21	580.35	619.85	936.74	1,280.12
Total Expenses	804.49	549.55	607.56	917.69	1,239.80
EBITDA	81.82	61.86	51.27	67.49	95.51
D&A	17.47	18.53	21.74	22.62	24.01
EBIT	64.35	43.33	29.53	44.86	71.50
Finance cost	6.63	12.52	17.24	25.82	31.18
PBT (after exceptional items)	57.72	30.81	12.29	19.05	40.32
Total Tax Expense	19.28	(5.20)	3.25	4.83	10.58
PAT	38.44	36.01	9.04	14.22	29.74

Balance Sheet Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
Total non-current assets	430.65	474.03	474.28	483.96	488.10
Inventories	141.59	128.14	118.41	158.73	158.19
Trade receivables	121.17	112.62	164.19	240.35	255.92
Cash & cash equivalents	58.65	48.0	65.04	61.39	104.80
Total current assets	351.14	304.52	365.45	479.07	540.37
Total assets	781.79	778.55	839.72	963.03	1028.47
Equity	397.86	422.89	432.80	444.39	471.11
Long-term Borrowings	90.88	141.01	107.47	137.42	100.67
Total non-current liabilities	137.80	174.50	144.50	178.36	144.74
Short-term Borrowings	108.92	84.11	107.23	142.12	203.01
Trade Payables	106.29	80.58	127.96	180.59	182.68
Total current liabilities	246.12	181.16	262.42	340.28	412.62
Total equity and liabilities	781.79	778.55	839.72	963.03	1028.47

NELCAST
LIMITED



Thank You

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