



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: **Press Release on the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December 2023**

We are enclosing the Press Release on the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December 2023.

We request you to take this information on record.

Thanking you.

For **NELCAST Ltd**

(S.K.SIVAKUMAR)
Company Secretary

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



ISO 9001 : 2015

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OHSAS 18001 : 2007

Nelcast Ltd reports Q3 & 9M FY 2024 Results

***Exports at Rs. 339 Crores in 9M FY2024; up 38% YoY
9M FY2024 EBITDA/kg at Rs. 13.0, up 9% YoY***

Chennai, India, January 29, 2024 – Nelcast Ltd (referred to as the “Company”; NSE Symbol: NELCAST, BSE Scrip Code: 532864), a leading producer of Ductile and Grey Iron castings in India, announced its financial results for the **third quarter and nine months ended December 31, 2023**.

Commenting on the performance, Mr. Deepak Reddy Ponnnavolu, Managing Director & CEO of Nelcast, said “Our export segment reported a strong growth however, the revenue growth was dragged due to subdued performance of the M&HCV and tractors segments. I’m happy to share that our revenues from exports reached Rs. 339 Crores in 9MFY24, surpassing what we did for the entire FY23. We expect to sustain our quarterly run rate of Rs. 100 crores and are confident of achieving our target of Rs. 400 Crores of revenue from exports in FY24. With new product launches scheduled for first half of FY25, we expect this to further boost our revenues and profitability. EBITDA/kg stood at Rs. 13/kg in 9MFY24, an increase of 9% YoY, and is in-line with our target of Rs.12/kg in FY24. Stabilization of raw material prices, improved efficiency and increased export sales have been key contributors towards this improvement.

FY25 is expected to be a strong year driven by exports and pick-up in M&HCV segment with minimal growth anticipated from the tractor segment. We also foresee margin expansion as we optimize capacity utilization, ultimately enhancing operational efficiency through economies of scale.”

Consolidated Performance Highlights

(In Rs. crores, unless otherwise mentioned)

Particulars	Q3 FY24	Q3 FY23	YoY Growth	Q2 FY24	QoQ Growth	9M FY24	9M FY23	YoY Growth
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 (in INR)	12.1	10.0	20.7%	14.9	(18.9) %	13.0	11.9	9.4%
PAT	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

Q3 FY24 Financial highlights

- **Total Revenue was at Rs 323.0 Crores, down 3.2% YoY and 10.9% QoQ**
 - While exports reported a strong growth, overall revenue growth was impacted due to subdued performance in Medium & Heavy Commercial Vehicle (M&HCV) and tractor segment given the low demand in the industry that resulted in decrease in overall sale volumes (20,608 Tonnes in Q3FY24; 22,953 Tonnes in Q2FY24; 21,513 Tonnes in Q3FY23)
- **EBITDA at Rs 28.2 Crores, up 32.5% YoY and down 21.7% QoQ; EBITDA margin at 8.7%**

- YoY growth was due to increase in revenue contribution from exports that tend to have higher margins than domestic sales.
- QoQ degrowth was due to high base of last quarter that benefitted from normalization of raw material prices.
- **The bottom-line stood at Rs 25.5 Crores**
- **Sector-wise Revenue**
 - In 9MFY24, the largest share was contributed by M&HCV making up 38% of the total revenues, followed by Tractors – 21%, Exports – 35%, Railways – 3%, Off-highway equipment – 2%, and Others – 1%.
 - In 9MFY23, M&HCV contributed 38% to revenues, Tractors – 31%, Exports – 26%, Railways – 3%, Off-highway equipment – 2%, and Others – ~0%.

Outlook for FY25

- Expect to report reasonable growth driven by exports and pick-up in M&HCV and tractors.
- Exports sales expected to continue to report strong growth on the back of our robust order book and upcoming new product launches.

About Nelcast Ltd

Incorporated in 1982, Nelcast manufactures grey and ductile castings for the M&HCV and tractor industry segments. Around 25-30% of its overall revenues is also generated from export markets. Key products supplied to its M&HCV clients include differential carriers, differential cases, bogie suspension brackets, and conventional brackets, among others. For the tractor segment, the company's major products are transmission casing, centre housing, axle housing and hydraulic lift cover. It also supplies base plates and brake discs for metro rail projects and the railways respectively. Nelcast has an aggregate installed production capacity of 160,000 tonnes per annum. Its factories are located at Ponneri in Tamil Nadu, and at Gudur and Pedapariya in Andhra Pradesh.

Contact Details

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For further information on Nelcast Limited, please visit www.nelcast.com

Safe Harbor

This release contains statements that may contain “forward-looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Nelcast Ltd future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several 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. Nelcast Ltd undertake no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.