

July 31, 2020

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalai Street, Mumbai — 400 001

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai — 400 051

Scrip Code: 531147

Scrip Symbol: ALICON

Sub: Earnings Presentation on Q1 & FY20-21

Dear Sir/ Madam,

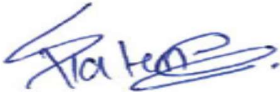
Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached investor presentation on the financials for the quarter ended June 30, 2020.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Alicon Castalloy Ltd**

A handwritten signature in blue ink, appearing to read 'Swapnal Patane', with a horizontal line underneath.

Swapnal Patane
Company Secretary

Alicon Castalloy Ltd

Q1 FY21 Results Presentation

July 31, 2020

Disclaimer

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to, "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Contents





About Alicon Castalloy



Alicon Castalloy - Overview

Offers end-to-end solutions spanning the entire spectrum of aluminum casting needs across multiple user industries

Offers - Design, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminum Components

Pioneer in India for processes of Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC)

Operates one of the largest Aluminum foundries in India

Leaders in the development of Pro-Cast and Magma space in India

Diversified marquee Customer base across core sectors in India coupled with steady rise in International presence

Robust track record of 44 years, further enriched by 89 year legacy of Illichmann Castalloy



Alicon Castalloy - At a Glance



960.0

INR crore of Total
Income in FY20



108.7

INR crore of
EBITDA in FY20



84

customers with..

674

Live Parts



4

Manufacturing
Units



131

No. of product
innovations during FY20



18

Presence in
countries

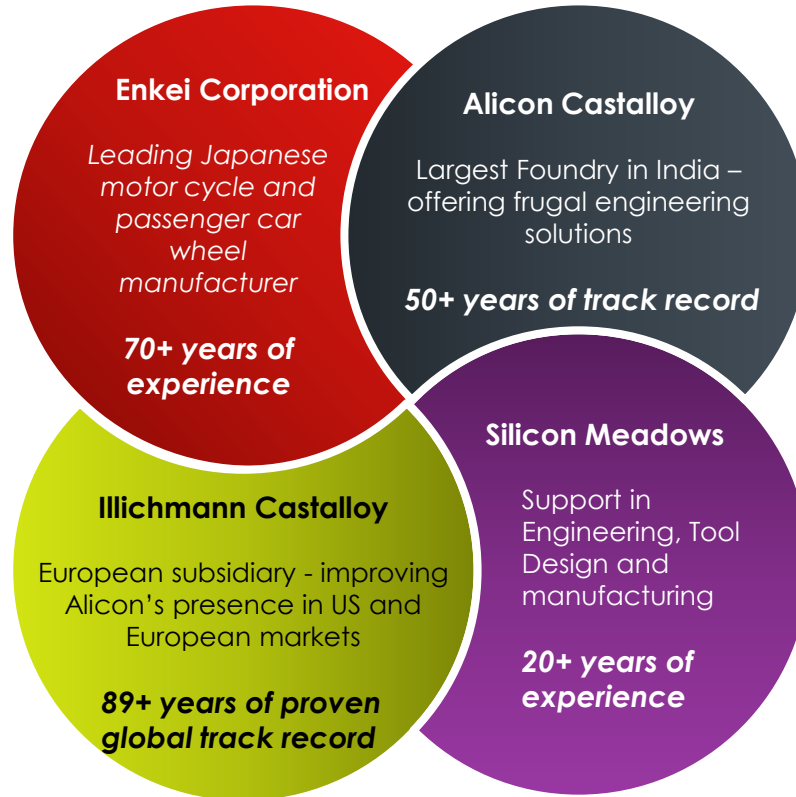


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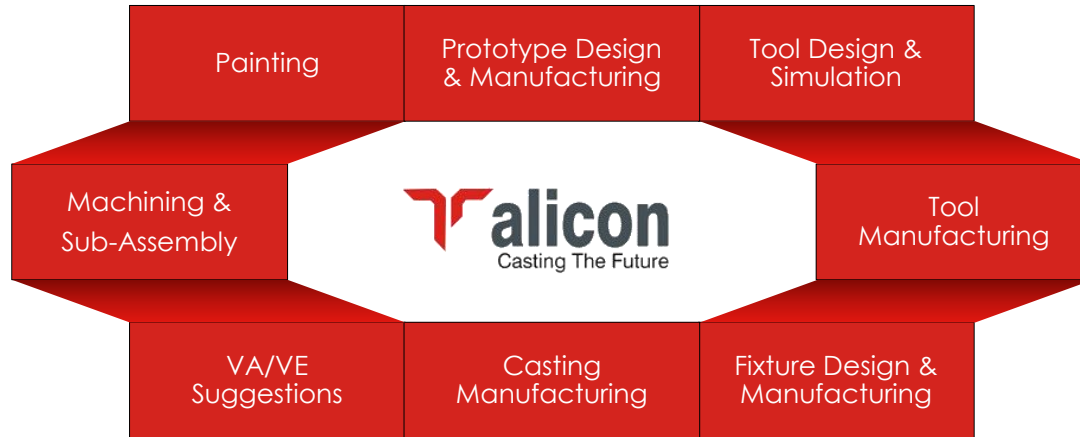
No. of permanent
employees

Alicon Castalloy – Blending the best attributes

*A blend of
European
engineering skills,
Japanese quality
and inherent
Indian ingenuity
and frugality*



One-stop shop for all engineering solutions related to aluminum alloy castings



Catering to key sectors of the Indian economy



Automobile



Infrastructure



Aerospace



Medical



Energy



Agriculture

Global Presence : Close-to-Demand

Strategic locations enable better speed-to-market and increased cost optimization



4 modern plants
(1 international)

High-end machines

Advanced Technology Centre

Globally competent Tool
Rooms (20 tools/ a month)

Full-edged Machine Shop
(including assembly facility)

USA
Marketing Franchise

France
Marketing Franchise

Austria

International Marketing
Office

Slovakia

- * Manufacturing Plant
- * Tool Room
- * Product Validation Lab

Chinchwad, Pune Maharashtra

- * Manufacturing Plant
- * Tool Room
- * Product Validation Lab
- * Machine Shop

Shikrapur, Pune Maharashtra

- * Manufacturing Plant
- * Technology Centre
- * Product Validation Lab
- * Machine Shop

Binola, Haryana

- * Manufacturing Plant
- * Product Validation Lab

Diversified base of marquee customers

Diversity across markets and industries provides a natural hedge

TWO WHEELER OEM



Not reliant on a single 'anchor' customer

None of the customers contribute >15% of turnover

FOUR WHEELER OEM



TIER 1 & NON AUTO



AND MANY MORE...



Impact of COVID-19 Pandemic on Q1 FY21 Performance & Response

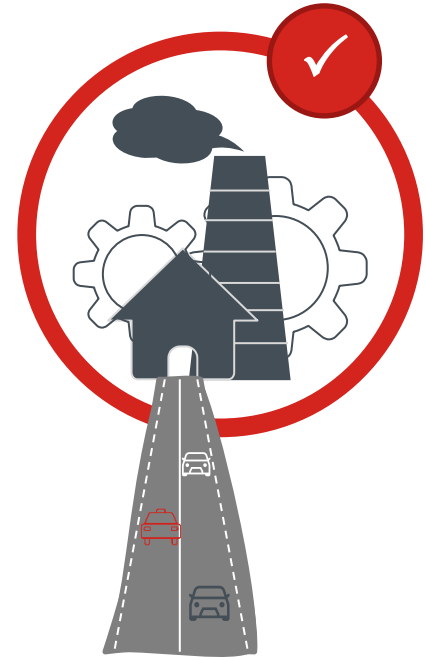
Impact on Q1FY21 Performance

- Nationwide lockdown was announced in March 2020 which continued upto mid-May following which restrictions were partially lifted. As a result, the Company's business operations during Q1FY21 were severely impacted.
- As per the directives of the Central Government, Alicon's manufacturing units in Shikrapur and Binola in India were shut from March 22, 2020 to May 11, 2020 losing 41 out of 91 operational days. Pursuant to requisite government approvals, operations at these facilities resumed from May 11, 2020 onwards, albeit at lower utilization levels.
- However, due to its location in a containment zone, the Chinchwad plant resumed partial operations from 8th June onwards, losing 69 out of 91 operational days. Upon resumption, all of the plants were operating with prescribed levels of manpower and at low utilisation levels, hence the effective utilisation for the quarter has been significantly impacted.
- Customers in International locations as well as domestically were faced with similar constraints leading to plant shutdowns and / or significant reduction in production schedules. Further, new launches and BS-VI product launches were delayed which further impacted the planned offtake.



Response

- All 4 manufacturing units, viz. Binola (Haryana), Shikrapur (Pune) and Chinchwad (Pune) and Slovakia have resumed operations. Currently, all these units are operating at a utilization level of 50% with a 60% efficiency rate.
- In response to the circumstances, the Company heightened it's focus towards cost-rationalization and process efficiency which has enabled an improvement in gross margins during this challenging period.
- Further, measures have been undertaken to manage working capital and conserve cash flows and the financial position remains stable
- The Company reiterates that contract wins with JLR, Mahle, Behr and Daimler USA (aggregating Rs. 810 crore over the lives of the contracts), which were announced in October 2019, are in progress
 - Product samples incorporating material and technical specification have been submitted and the approval process, though delayed, is underway.
 - Alicon remains confident of commencing production in FY2023, as per targeted schedules

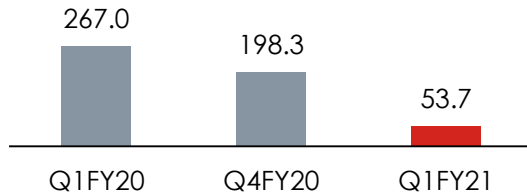




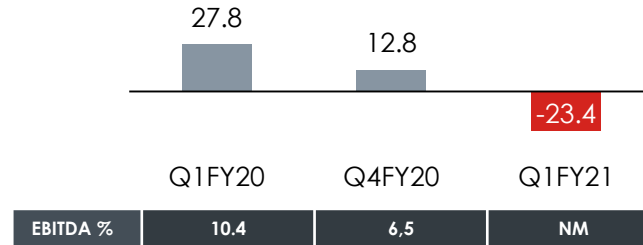
Q1 FY2021 Financial Performance

Q1 FY21 Highlights – Consolidated

Total Income



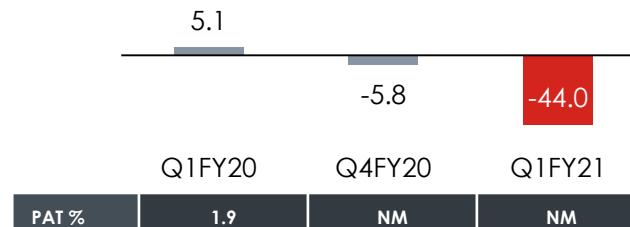
EBITDA



PBT



PAT

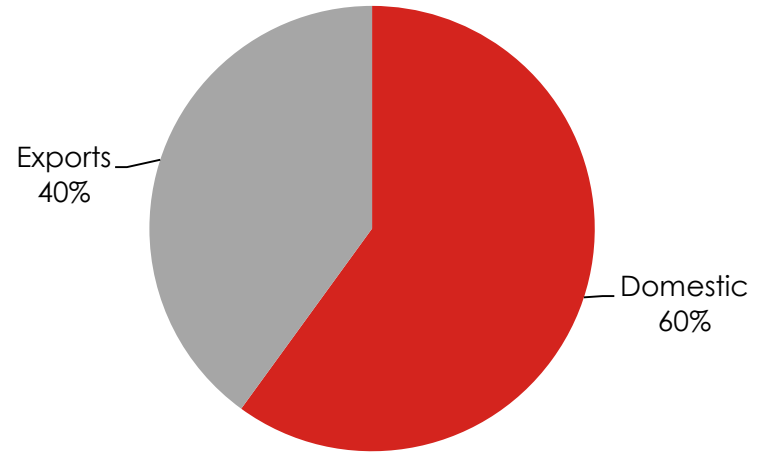
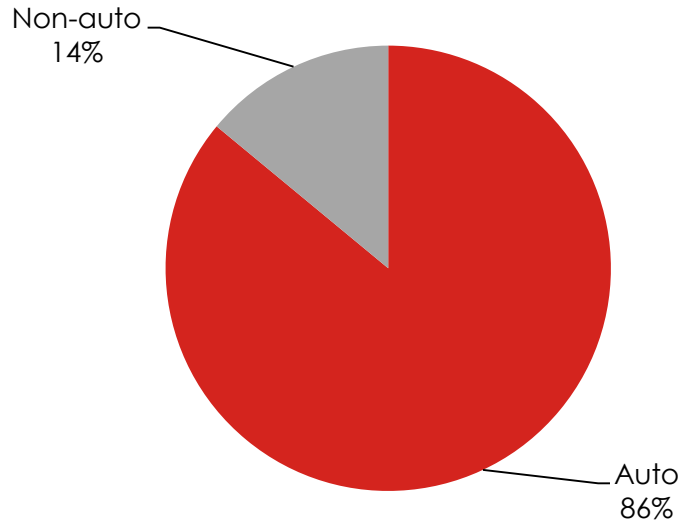


- Unprecedented circumstances prevailing since March 2020 severely impacted business activities during Q1 FY21
- In Q1, Total Income stood at Rs. 53.7 crore
- Other income stood at Rs. 0.7 crore
- Gross profit was Rs. 27.2 crore, with margins improving by 331 bps YoY to 51.4% on the back of process efficiency measures instituted

Note: Performance during the quarter is not comparable to corresponding period last year as well as to the preceding quarter due to the unprecedented circumstances during Q1 FY21 leading to closure of Binola and Shikrapur plants for 41 days and of Chinchwad plant for 69 days during the quarter.

Figures in Rs. Crore

Revenue Mix – Q1FY21



Abridged P&L – Consolidated

Particulars (Rs. crore)	Q1FY20	Q4FY20	Q1FY21
Net Revenue from Operations	266.39	197.72	52.98
Other Income	0.65	0.61	0.68
Total Income	267.04	198.33	53.66
Total Expenditure	239.21	185.51	77.07
Raw Material expenses	138.21	97.15	25.74
Employee benefits expense	37.29	37.50	29.75
Other expenses	63.70	50.86	21.59
EBITDA	27.84	12.82	(23.42)
EBITDA margin (%)	10.4%	6%	NM
Finance Costs	9.83	9.33	8.89
Depreciation and Amortization	10.25	11.37	12.42
PBT	7.75	(7.89)	(44.73)
Tax Expenses	2.68	(2.05)	(0.74)
PAT	5.08	(5.84)	(43.99)
PAT Margin (%)	1.9%	NM	NM

Management's Message

Commenting on the performance, Mr. Rajeev Sikand, Group CEO , Alicon Castalloy said,

"The unprecedented circumstances and restrictions in place during the quarter severely impacted the business performance. Implementation of lockdown led to immediate suspension of production as well as deliveries across domestic and export markets. We lost 41 days of operations at Shikrapur and Binola and 69 days of operations at Chinchwad during the quarter. The resumed operations were at subdued utilisation rates which, along with supply chain issues has derailed performance. Consequently, consolidated revenues stood at Rs. 53.7 crore in Q1 FY21.

More than ever, this extraordinary situation has highlighted the resilience of Alicon's business model and operational strengths . Despite constraints, our teams were able to support business functions, which enabled us to adapt to the dynamic market situation and ensured continuity in deliveries. Operationally also, we have optimised costs across our business model and brought in higher efficiencies that enabled us to report improvement in the gross margin profile during the quarter.

Looking ahead, even as we are focused on stabilising business amidst uncertainties due to COVID-19, we are future ready and have positioned ourselves at the forefront to address the inevitable rebound in demand and volumes. Our client engagements remain solid and our customers are committed to continuing with the development programs, once the broader macro-situation stabilizes. Overall, we remain confident in our technological prowess, differentiated product offerings and varied solutions for BS-VI and E-mobility, which undoubtedly, are the way forward for the auto-industry."



Concall Details

Conference Call Details

Alicon Castalloy's Q1 FY21 Earnings Conference Call

Time & Date

- 12 noon on Friday, July 31, 2020
-

Local dial-in numbers

- +91 22 6280 1141
 - +91 22 7115 8042
-

International Toll Free Number

- Hong Kong: 800 964 448
 - Singapore: 800 101 2045
 - UK: 0 808 101 1573
 - USA: 1 866 746 2133
-



Thank You

For further information, please contact:

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