

Alicon Castalloy Ltd

Q3 & 9M FY20 Results Presentation

January 28, 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



17%

Revenue CAGR
(5 yr)



21%

EBITDA CAGR
(5 yr)



23%

PAT CAGR
(5 yr)



4

Manufacturing
Units



1,192

INR crore of
Revenue in FY19



84

customers with..
674
Live Parts



46

No. of product
innovations during FY19



Presence in
18
countries

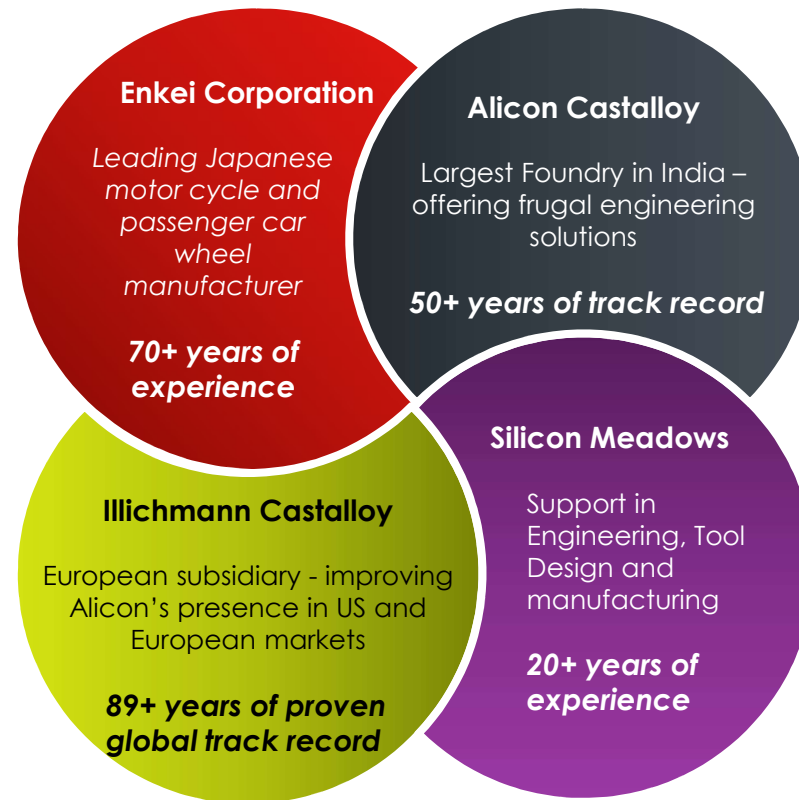


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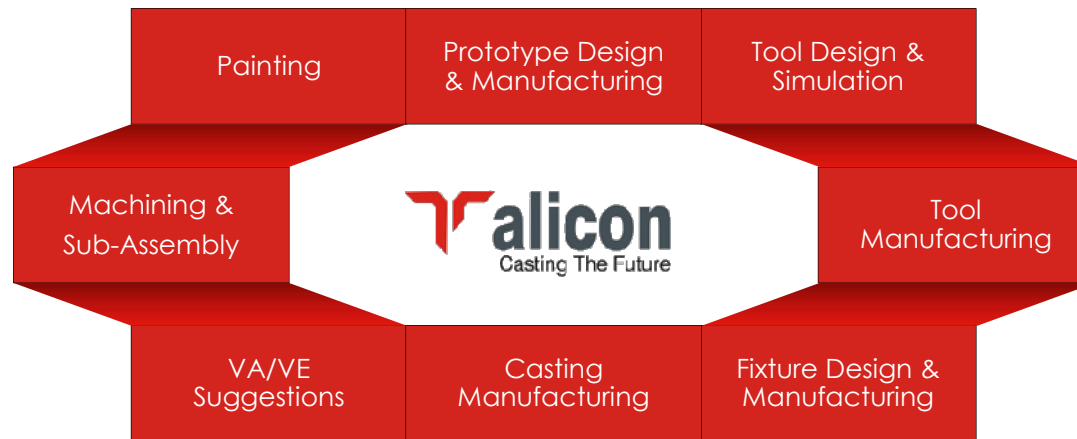
No. of permanent
employees

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



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

- 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)

Diversified base of marquee customers

Diversity across markets and industries provides a natural hedge

TWO WHEELER OEM



FOUR WHEELER OEM



TIER 1 & NON AUTO



Not reliant on a single 'anchor' customer

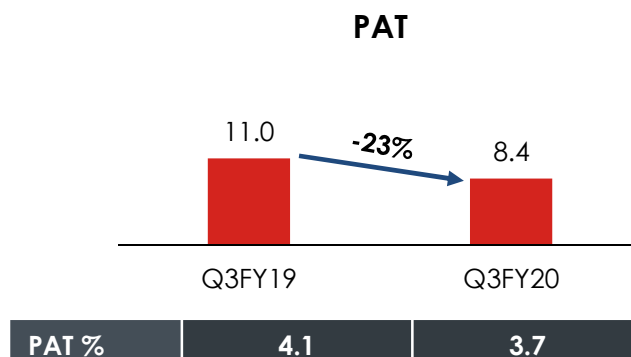
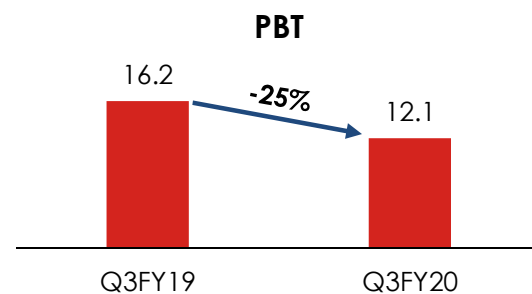
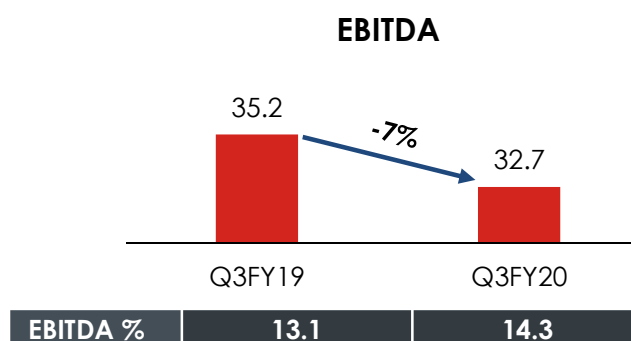
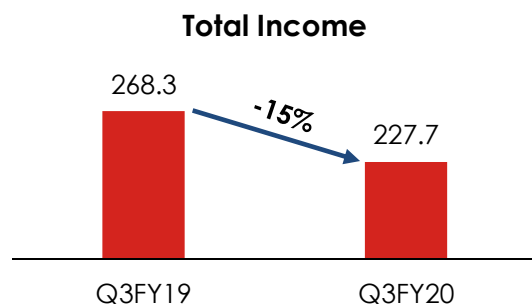
None of the customers contribute >15% of turnover

AND MANY MORE....



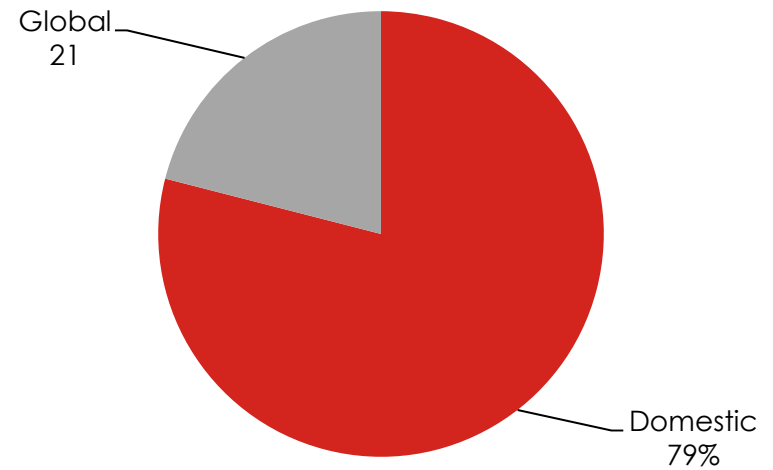
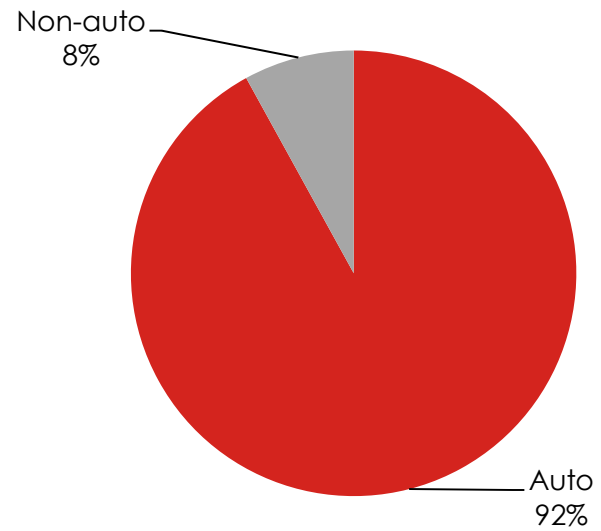
Q3 & 9M FY2020 Financial Performance

Q3FY20 Highlights – Consolidated

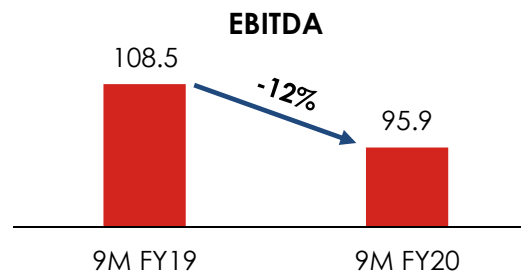
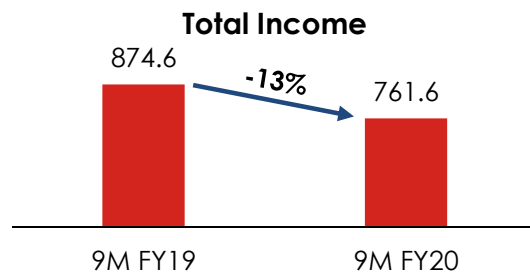


- Total Income stood at Rs. 227.8 crore, compared to Rs. 266.9 crore in the immediately preceding quarter
- On a YoY basis, Domestic Revenues de-grew by 15% and the Export segment de-grew by 16%*.
- Other income stood at Rs. 0.88 crore, higher by 34% yoy
- EBITDA was Rs. 32.68 crore, lower by 8% compared to Q2FY20
- On a YoY basis, EBITDA margins improved 122 bps to 14.3% due to cost control and operating efficiencies
- On a sequential quarter basis, EBITDA margin improved by 110 bps
- PAT stood at Rs. 8.4 cr
- EPS (Diluted) stood at Rs. 6.01 in Q3FY20 as against Rs. 7.84 in Q3FY19

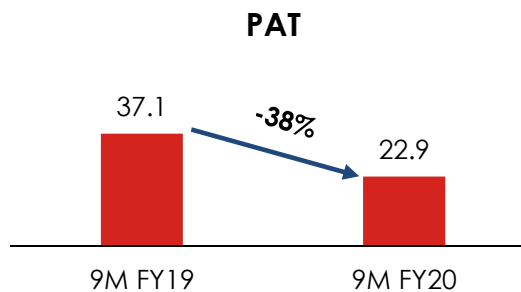
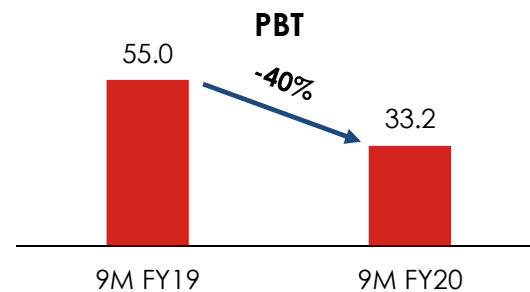
Revenue Mix – Q3FY20



9M FY20 Highlights – Consolidated



EBITDA %	12.0	13.0
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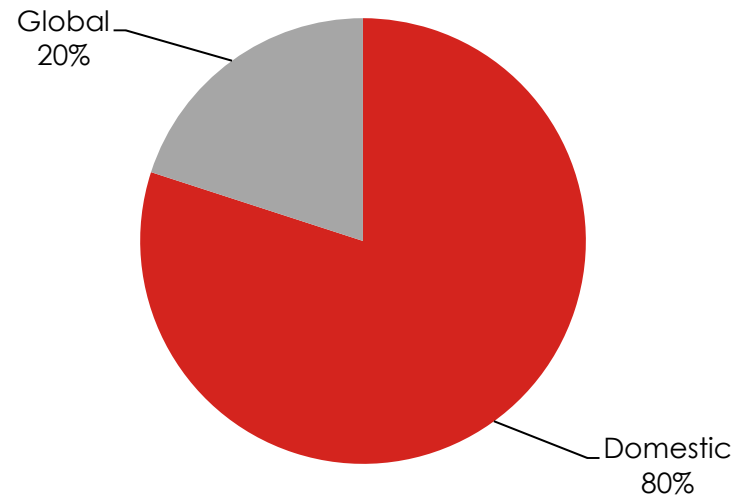
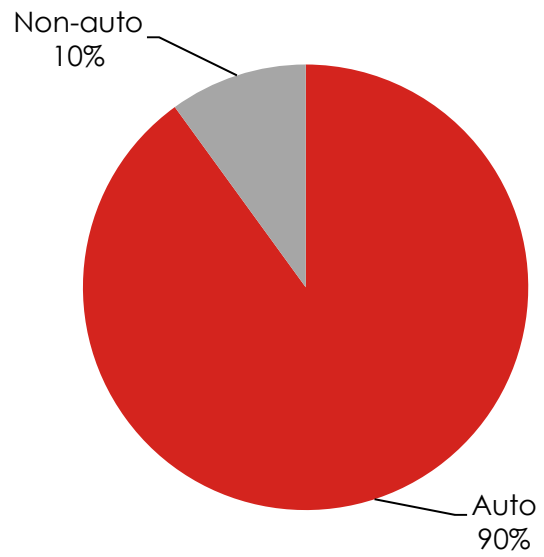


PAT %	4.2	3.0
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- Total Income stood at Rs. 761.7 crore as against Rs. 874.6 crore in 9M FY19
 - Domestic Revenues were lower by 14% YoY
 - Export* segment reported de-growth of 7% YoY
- Reduced volumes across the auto industry due to slowing economic growth and changing technologies and emission standards contributed to the de-growth
- Other income stood at Rs. 2.18 crore, lower by 5%
- EBITDA stood at Rs. 95.9 crore
- EPS (Diluted) stood at Rs. 16.39 in 9MFY20

Figures in Rs. Crore
*Exports (incl. overseas business)

Revenue Mix – 9M FY20



Abridged P&L – Consolidated

Particulars (Rs. crore)	Q3FY20	Q3FY19	Y-o-Y Shift	9M FY20	9M FY19	Y-o-Y Shift
Net Revenue from Operations	226.87	267.66	-15%	759.47	872.34	-13%
Other Income	0.88	0.65	34%	2.18	2.30	-5%
Total Income	227.75	268.32	-15%	761.65	874.64	-13%
Total Expenditure						
Raw Material expenses	112.61	135.32	-17%	390.51	443.99	-12%
Employee benefits expense	33.23	39.81	-17%	105.54	125.92	-16%
Other expenses	49.23	57.97	-15%	169.73	196.22	-13%
EBITDA	32.68	35.22	-7%	95.87	108.51	-12%
EBITDA margin (%)	14%	13%	+122 Bps	13%	12%	+18 Bps
Finance Costs	9.61	9.41	2%	30.01	25.57	17%
Depreciation and Amortization	10.92	9.61	14%	32.65	27.94	17%
PBT	12.15	16.19	-25%	33.21	55.01	-40%
Tax Expenses	3.71	5.24	-29%	10.33	17.95	-42%
PAT	8.44	10.95	-23%	22.87	37.06	-38%
PAT Margin (%)	4%	4%	-38 Bps	3%	4.2%	-123 Bps

Management's Message

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

"The auto industry continued to witness tepid volumes in Q3 given the challenging macro-economic conditions as well as uncertainty amidst the evolution towards BS-VI emission standards. The festive season which carried into the third quarter did not see increased production at Auto Manufacturing. In this backdrop, we are encouraged to report a relatively stable performance accompanied by improved operating profitability on the back of our cost management initiatives.

Investments in new technologies and talent in recent years have enhanced our preparedness for emerging trends across the industry landscape. We are focused towards increasing market share in India, increase penetration among global customers as well as elevate our platform of products catering to non-auto sectors.

Amidst the dynamic operating environment, we are tightening our belts to enhance efficiencies. Contract wins announced last quarter are progressing along targeted schedules. We believe we are well placed to capitalize on opportunities that will arise as demand recovers."



Concall Details

Conference Call Details

Alicon Castalloy's Q3 & 9M FY20 Earnings Conference Call

Time & Date • 3:30 PM on Friday, January 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

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