

February 08, 2021

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 Q3 FY20-21

Dear Sir/ Madam,

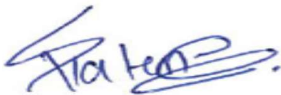
Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached investor presentation on the financials for the quarter ended December 31, 2020.

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 stylized flourish at the end.

Swapnal Patane
Company Secretary

Alicon Castalloy Ltd

Q3 & 9M FY21 Results Presentation

February 06, 2021



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



88

customers with..

744

Live Parts



4

Manufacturing
Units



131

No. of product
innovations during FY20



18

Presence in
countries

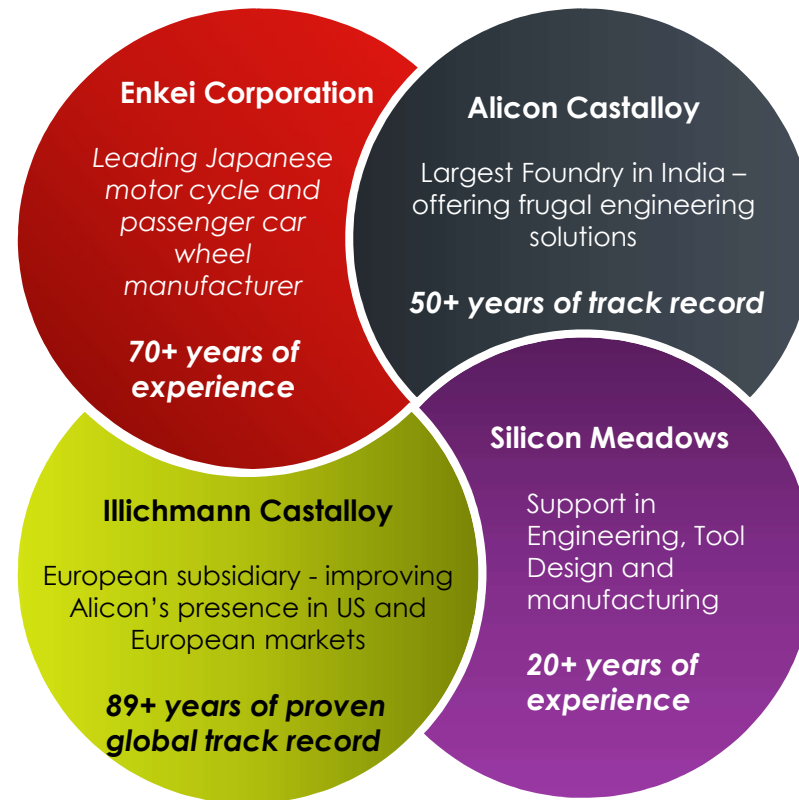


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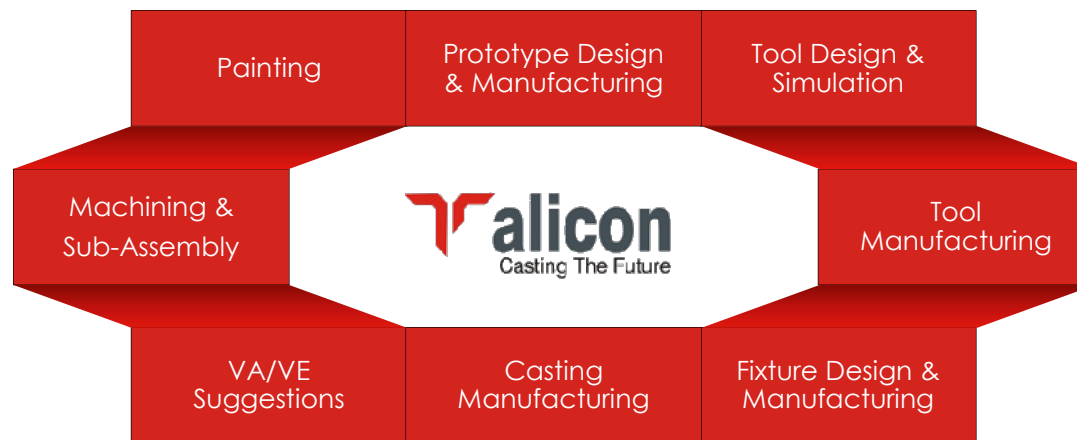
No. of permanent
employees

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 shorter time-to-market and enhanced 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



AND MANY MORE....

Not reliant on a single 'anchor' customer

None of the customers contribute >15% of turnover



Q3 & 9M FY2021
Operational & Financial
Highlights

Q3 FY21: Overview of Operating Environment

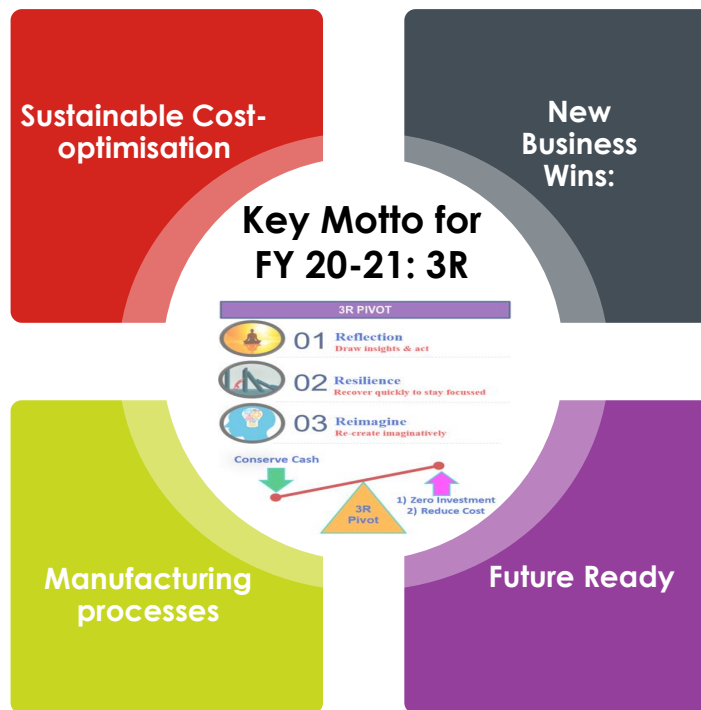
Business & Macro-demand Highlights:

- Alicon delivered a robust uptick in performance on a sequential basis, led by improved demand and recovery in volumes during the quarter
- Resilient demand beyond the festive season has aided domestic volume performance during the quarter
- Export markets registered a pickup in sales as restrictions are removed and international trade resumes, despite concerns of second wave
- Going forward, improving consumption trends in the domestic and export markets are expected to build momentum in sales
- In addition, increasing demand for green energy vehicles incl. electric vehicles, strong underlying demand trends in rural centers and smaller towns and increased preference for personal mobility bodes well for the auto industry
- The recently announced vehicle scrappage policy is expected to positively impact domestic demand



Q3 FY21: Operational Resilience

- Lower fixed expenses
- Lean and Agile manufacturing processes
- Steady gross margins



- In Q3 FY21, the Company has booked 27 parts
- This includes 11 parts in the Domestic business from customers - Dana, Eaton, Garrett
- 16 parts from the Export business from customers - Mahle, Tata Autocomp

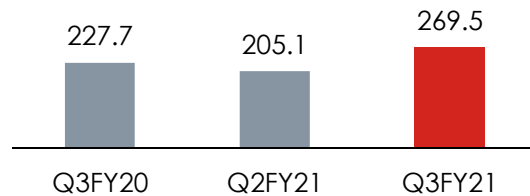
- Manufacturing facilities operating at near-normal utilization levels
- The Company continues to undertake all the mandatory protocols and safety measures for all its employees across plants as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India

Alicon, as an organization is Future Ready to tap opportunities arising from:

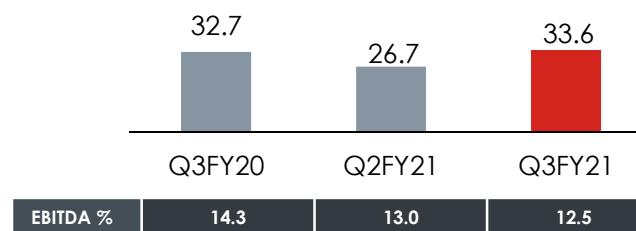
- Shift to personal mobility catalysed by pandemic
- Preference for green vehicles such as hybrid and electric vehicles
- Staggered introduction of vehicle scrappage policy
- Need for higher fuel efficiency
- Cost-optimisation & light-weighting of products

Q3 FY21 Highlights – Consolidated

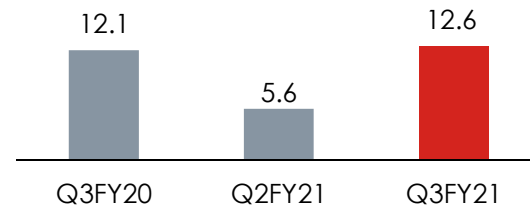
Total Income



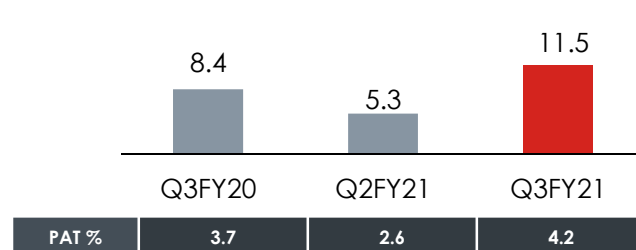
EBITDA



PBT



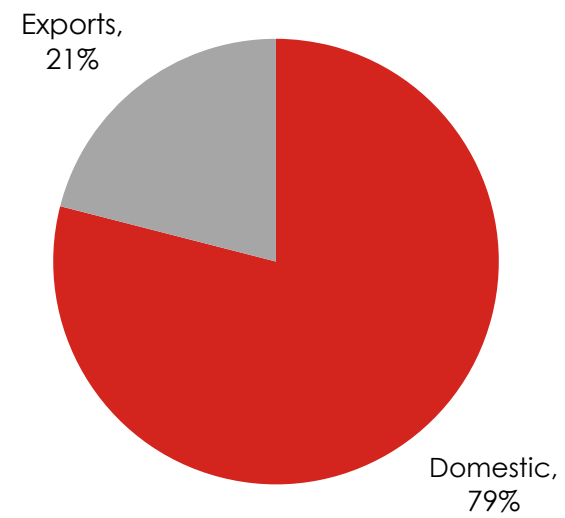
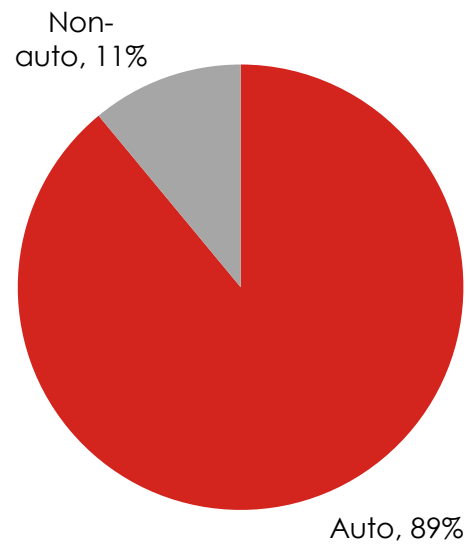
PAT



- The Company reported a robust uptick in performance both on a QoQ and YoY basis during the quarter
- In Q3, Total Income stood at Rs. 269.5 crore
- Other income stood at Rs. 1.1 crore
- Gross profit stood at Rs. 134.2 crore, with gross margin at 50.0%
- The Company was largely able to sustain the cost-optimization measures undertaken during the lockdown period. However, change in sales mix has impacted margin in Q3 FY21

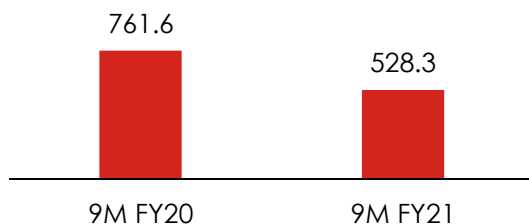
Figures in Rs. Crore

Revenue Mix – Q3FY21

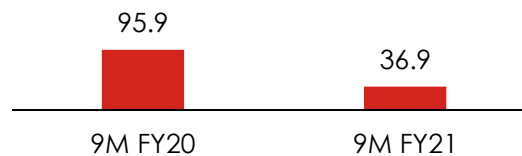


9M FY21 Highlights – Consolidated

Total Income

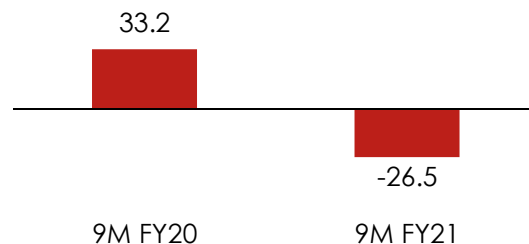


EBITDA



EBITDA %	9M FY20	9M FY21
	12.6	7.0

PBT



PAT



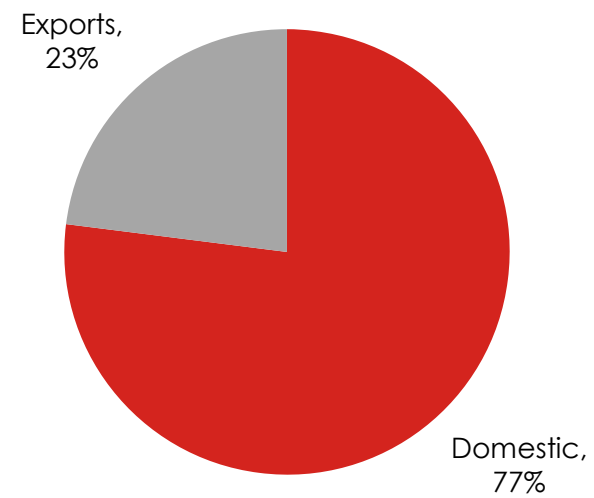
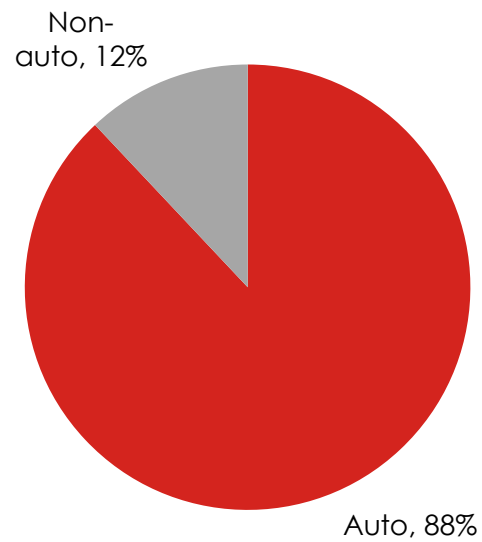
PAT %	9M FY20	9M FY21
	3.0	NM

- Total Income was Rs. 528.3 crore as against Rs. 761.6 crore in 9M FY20
- Other income stood at Rs. 2.34 crore, higher by 7.7%
- Gross margin improved by 232 bps to 50.9% on account of cost-optimisation measures undertaken during the period
- EBITDA stood at Rs. 36.9 crore in 9MFY21, with margins at 7.0%

Note: Performance during the 9M period is not comparable to corresponding period last year due to the unprecedented impact of COVID-19 pandemic and subsequent lockdown on business activities.

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

Revenue Mix – 9M FY21



Abridged P&L – Consolidated

Particulars (Rs. crore)	Q3FY21	Q3FY20	Y-o-Y Shift	9M FY21	9M FY20	Y-o-Y Shift
Net Revenue from Operations	268.43	226.87	18%	526.00	759.47	-31%
Other Income	1.11	0.88	26%	2.34	2.18	8%
Total Income	269.54	227.75	18%	528.34	761.65	-31%
Total Expenditure						
Raw Material expenses	134.28	112.61	19%	258.24	390.51	-34%
Employee benefits expense	36.83	33.23	11%	95.92	105.54	-9%
Other expenses	64.78	49.23	32%	137.24	169.73	-19%
EBITDA	33.65	32.68	3%	36.94	95.87	-61%
EBITDA margin (%)	12.48%	14.35%	-187 bps	6.99%	12.59%	-559 bps
Finance Costs	8.83	9.61	-8%	26.91	30.01	-10%
Depreciation and Amortization	12.22	10.92	12%	36.55	32.65	12%
PBT	12.60	12.15	4%	-26.52	33.21	NM
Tax Expenses	1.15	3.71	-69%	0.74	10.33	-93%
PAT	11.45	8.44	36%	-27.26	22.87	NM
PAT Margin (%)	4.25%	3.70%	+54 bps	NM	3.00%	NM

Management Message

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

"We are pleased to share that we have reported a solid performance this quarter, both in revenues and profitability. Revenues for the quarter grew by 18% YoY and by 31% QoQ. Growth was driven by the recovery in economic activity and sustained uptick in volumes by OEMs due to favorable trends across both, domestic and export markets. Profit growth has surged ahead of revenue growth as we were able to absorb the impact of higher input prices by sustaining the cost-optimization measures and higher efficiencies ingrained into the business in recent quarters. Profit after tax has more than doubled compared to the immediately preceding quarter.

On the operational front, we are witnessing improved traction in engagements with several existing and new OEMs in the domestic market, leading to higher business wins. Our international engagements with global OEMs remain solid, especially across the Electric Vehicles vertical. Our non-auto business is witnessing gradual normalization in demand and we expect this momentum to strengthen in the quarters ahead.

The revival in the domestic economy provides a strong underlying trend for the business which is being augmented by pockets of recovery in international markets. The increased preference for personal mobility will provide impetus for 2W and 4W demand while several vectors, including the recently announced vehicle scrappage policy which will incentivize replacements in the domestic market, are contributing to growth in CVs. From a global perspective, we remain very excited by the progress in the EV space and the inclination towards light weighting and fuel efficiency which are directionally integrated with country's shift to the BS-VI platform. India has elevated its competitiveness and is being viewed favorably as a manufacturing destination globally which bodes well for focused and specialized players like us. We are confident that further stabilization of the macro-economic environment will lead to stronger and sustainable growth in the quarters ahead



Concall Details

Conference Call Details

Alicon Castalloy's Q3 & 9M FY21 Earnings Conference Call

Time & Date • 11.00 AM IST on Tuesday, February 9, 2021

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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Tel: +91 22 98209 40953 / 99201 68314

Email: mayank@cdr-india.com

shikha@cdr-india.com



For more information, visit www.alicongroup.co.in