

July 29, 2019

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

**Scrip Code: 531147**

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

**Scrip Symbol: ALICON**


**Sub: Investor Presentation on Q1 FY20**

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, 2019.

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'.

**Swapnal Patane**  
**Company Secretary**

# Alicon Castalloy Ltd

Q1 FY20 Results Presentation

July 29, 2019

# Disclaimer

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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

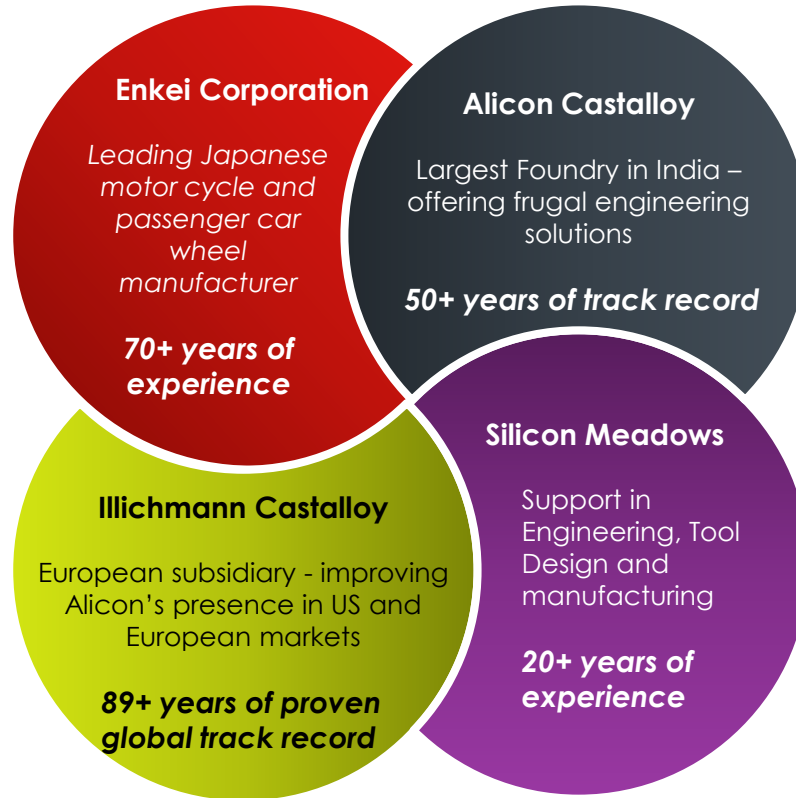


# Alicon Castalloy - At a Glance

<p><b>17%</b> </p> <p>Revenue CAGR (5 yr)</p>	<p><b>21%</b> </p> <p>EBITDA CAGR (5 yr)</p>	<p><b>23%</b> </p> <p>PAT CAGR (5 yr)</p>
<p><b>4</b> </p> <p>Manufacturing locations</p>	<p><b>1,192 Cr.</b> </p> <p>FY19 Total Income (Cons.)</p>	<p><b>81</b> customers with..</p> <p><b>674</b> Live Parts </p>
<p><b>46</b> </p> <p>Product Innovations during FY19</p>	<p>Presence in</p> <p><b>18</b> </p> <p>countries</p>	<p><b>1,039</b> </p> <p>Permanent employees</p>

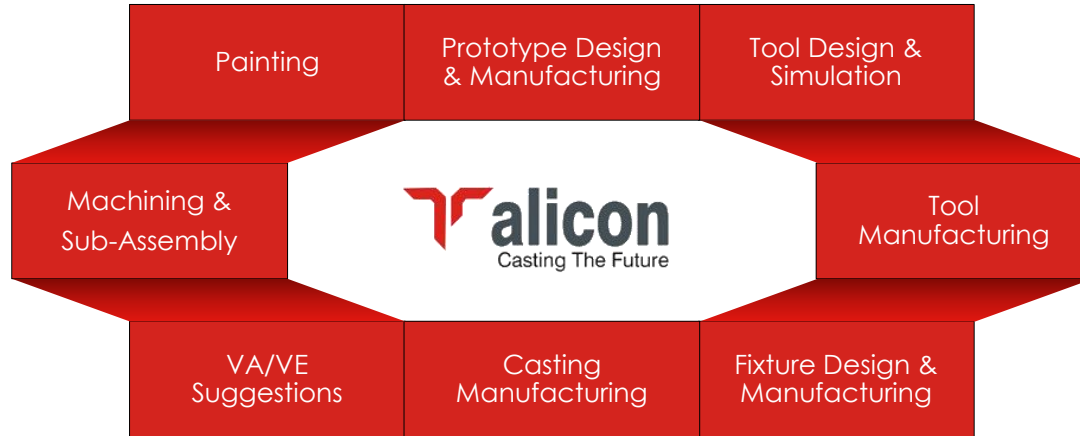
# Alicon Castalloy – Blending the best attributes

*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  
(including 1 international)

High-end machines

Advanced Technology Centre

Globally competent Tool  
Rooms (20 tools/ a month)

Full-fledged Machine Shop  
(including assembly facility)

## 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



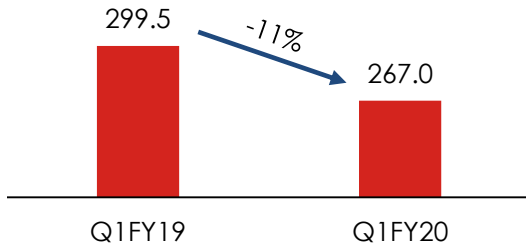
And Others....



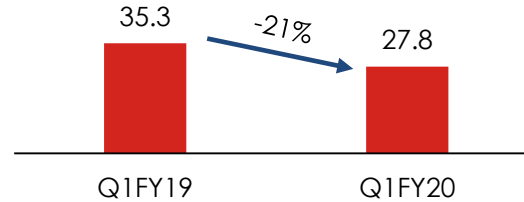
# Q1 FY20 Financial Performance

# Q1 FY20 Highlights – Consolidated

## Total Income

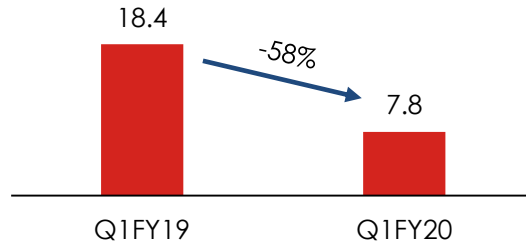


## EBITDA

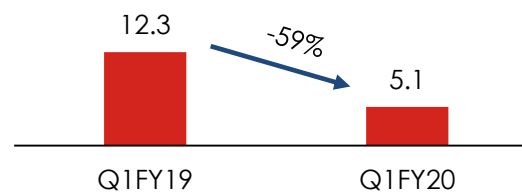


EBITDA %	11.8	10.4
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## PBT



## PAT



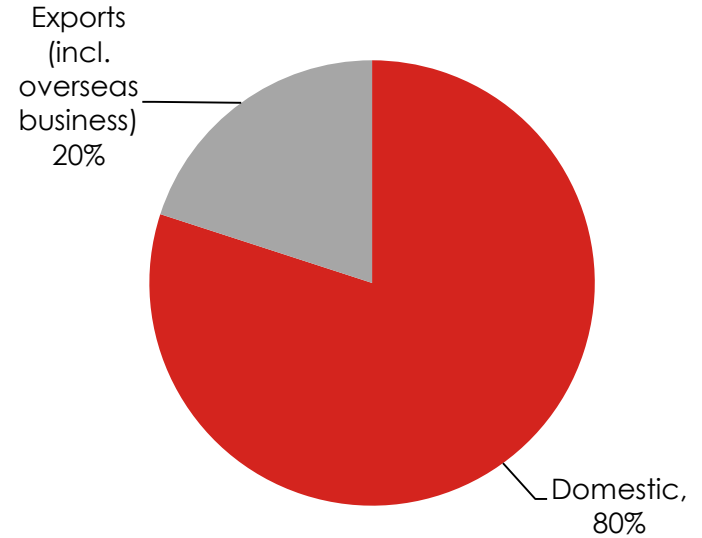
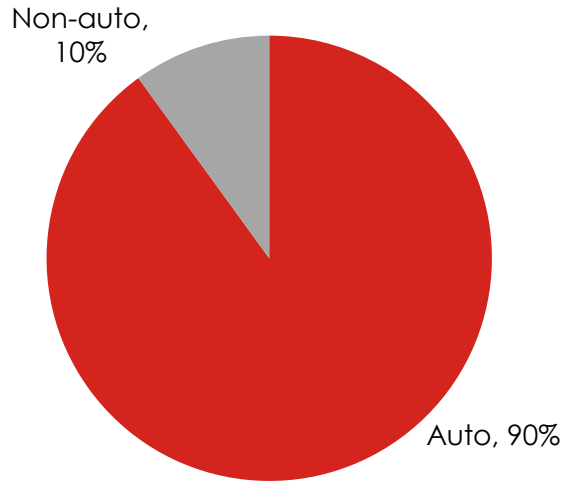
PAT %	4.1	1.9
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- Total Income at Rs. 267.04 crore as against Rs. 299.50 crore in Q1 FY19
- Overall slowdown in volumes in the auto industry impacted demand for components,
- In addition, the Company along with Customers has rationalized inventory levels which impacted Sales on a one-time basis in Q1 FY 20 however this is Cash Flow accretive.
- Domestic Revenues were lower by 13% YoY and Export\* segment grew by 1% YoY
- Other income stood at Rs. 0.65 crore, lower by 41%
- Gross margins stable at 48.1%
- EPS (Diluted) stood at Rs. 3.62

Figures in 'Rs. Crore'

\*Exports (incl. overseas business)

# Revenue Mix – Q1FY20



# Abridged P&L – Consolidated

Particulars (Rs. crore)	Q1FY20	Q1FY19	Y-o-Y Shift
Net Revenue from Operations	266.39	298.40	-11%
Other Income	0.65	1.10	-41%
<b>Total Income</b>	<b>267.04</b>	<b>299.50</b>	<b>-11%</b>
<b>Total Expenditure</b>	<b>239.21</b>	<b>264.23</b>	<b>-9%</b>
Raw Material expenses	138.21	151.87	-9%
Employee benefits expense	37.29	42.24	-12%
Other expenses	63.70	70.12	-9%
<b>EBITDA</b>	<b>27.84</b>	<b>35.27</b>	<b>-21%</b>
<b>EBITDA margin (%)</b>	<b>10.4%</b>	<b>11.8%</b>	<b>-135 bps</b>
Finance Costs	9.83	7.88	25%
Depreciation and Amortization	10.25	8.97	14%
<b>PBT</b>	<b>7.75</b>	<b>18.42</b>	<b>-58%</b>
Tax Expenses	2.68	6.12	-56%
<b>PAT</b>	<b>5.08</b>	<b>12.30</b>	<b>-59%</b>
<b>PAT Margin (%)</b>	<b>1.9%</b>	<b>4.1%</b>	<b>-221 bps</b>

# Management's Message

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

*“The operating environment continues to be challenging for the industry. As a result, domestic and international customers have witnessed a decline in volumes which in turn has impacted the demand for components. Consequently revenues declined by 11% on a yoy basis given this challenging environment the Company has taken steps to reduce inventory levels and compress working capital in order to drive greater operating efficiencies.*

*From an operational standpoint, it is not all gloom and doom as we had some positive developments too. We added a range of high-potential SKUs and launched new products for the electric vehicles category, enhancing the platform for future growth. Volumes for the domestic electric two-wheeler customers have also ramped up reflecting their growing operations. We are steadily expanding our presence in other sectors like Infrastructure, Aeronautics, Defence, Energy and Agriculture. We continue to focus on our long term growth strategy while addressing the short term challenges that we face.*

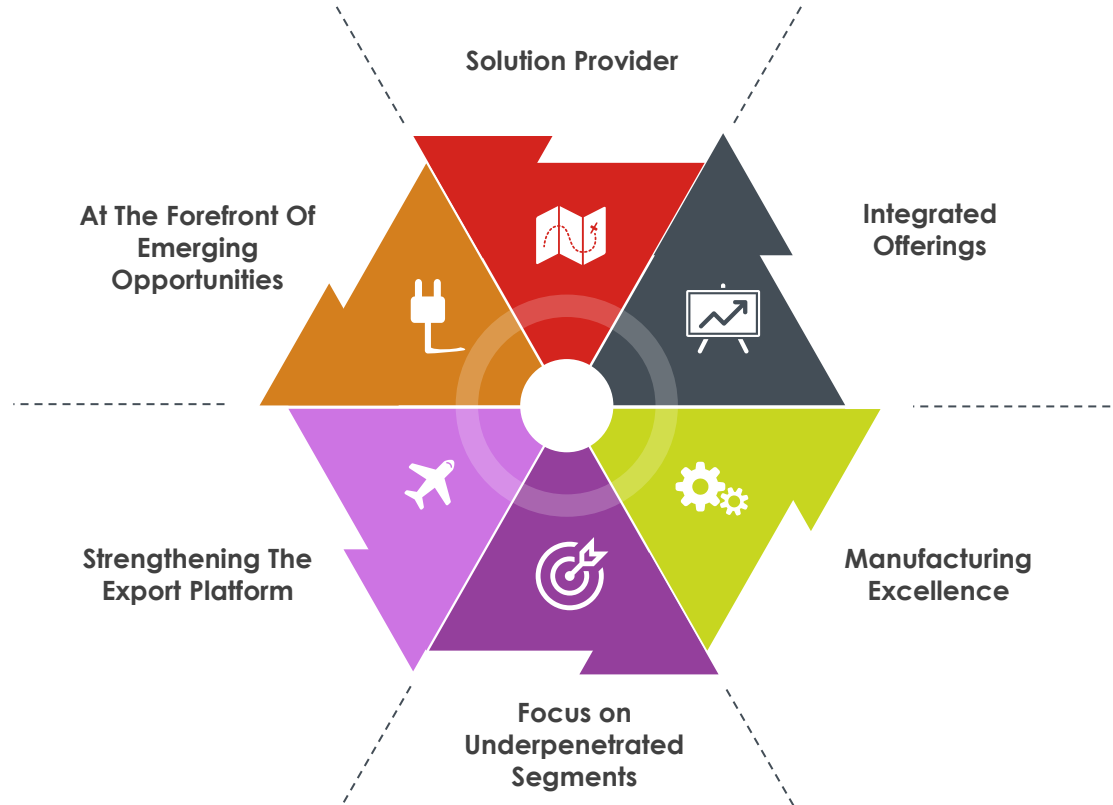
*We have deferred our expansion plan given the near-term challenges that we foresee and the emphasis is on improving operational efficiencies, running leaner operations and conserving cash to better navigate the current market turbulence. Having said that, we continue to invest in talent and new technologies to elevate our operations and ensure that we are at the forefront of emerging trends and evolving customer requirements. We remain optimistic of reviving the growth trajectory and achieving the vision that we have set for ourselves.”*



# Business Growth Levers & Outlook

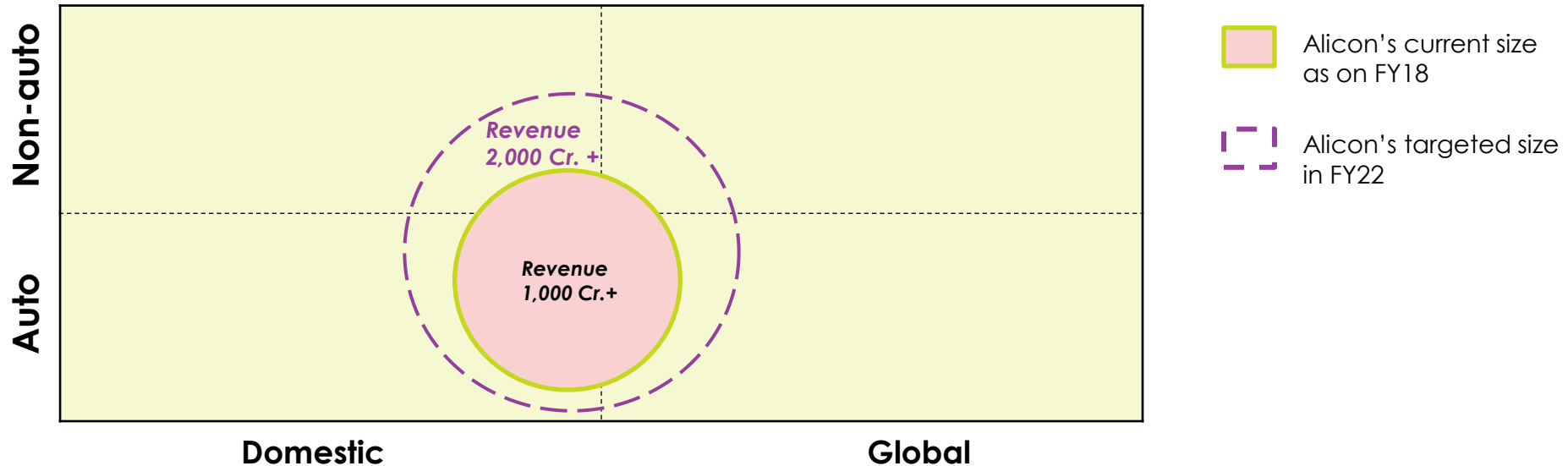


# Growth Enablers



# Vision G5 2021-22

In FY16, Alicon unveiled its vision G5 2021-22, which spells out the Company's ambition to be among the Top 5 global foundries by FY2021-22



# The Alicon DNA

To become the globally preferred supplier for Light Alloy Casting Solutions



## Our Mission

Grow the employees, associates and suppliers

Ensure total customer satisfaction

Increase shareholder value



## Our Values

Quality, Integrity and Respect

Encourage Entrepreneurship

Ownership and Accountability

Commitment to the Environment and Community

**North Star philosophy - Alicon endeavors to promote Indian self-reliance in the present domains**

**“ We are proud to be Indians, we work to make India proud ”**

**The North Star philosophy aligns the Company's Corporate Pledge, Vision, Mission, Values, DNA and future growth Strategy**



# Concall Details

# Conference Call Details

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## Alicon Castalloy's Q1FY20 Earnings Conference Call

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**Time & Date** • 3.30 PM on July 30, 2019

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**Local dial-in numbers** • +91 22 6280 1141  
• +91 22 7115 8042

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**International Toll Free Number** • Hong Kong: 800 964 448  
• Singapore: 800 101 2045  
• UK: 0 808 101 1573  
• USA: 1 866 746 2133

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# Thank You

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