

August 06, 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 Q1 FY21-22**

Dear Sir/ Madam,

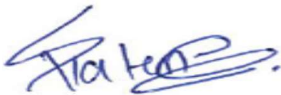
Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached investor presentation on the financials for the quarter ended June 30, 2021.

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 FY22 Results Presentation

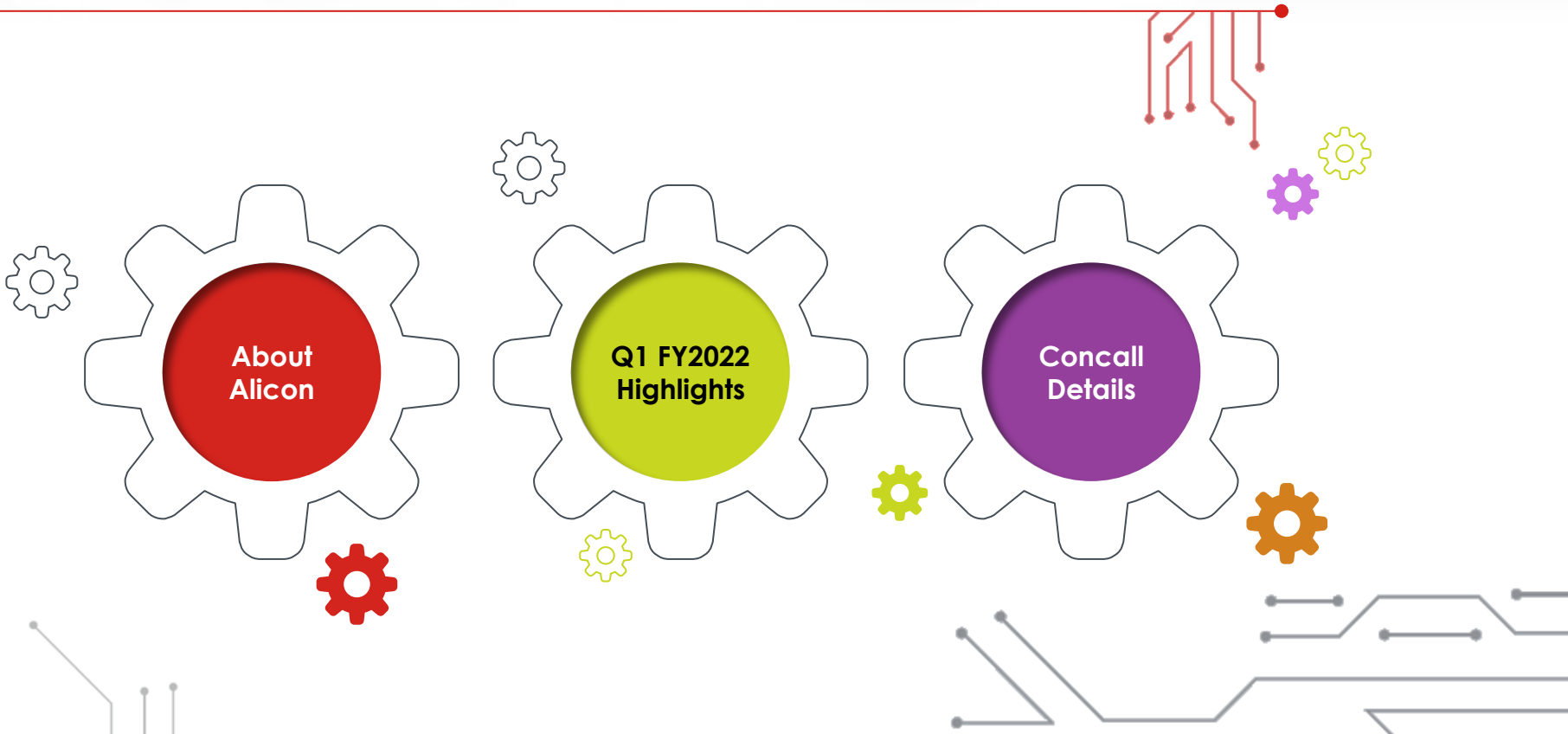
August 5, 2021

# 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 49 years, further enriched by 89 year legacy of Illichmann Castalloy



# Alicon Castalloy - At a Glance



**851**

INR crore of Total  
Income in FY21



**86**

INR crore of  
EBITDA in FY21



**89**

customers with..

**757**

Live Parts



**4**

Manufacturing  
Units



**131**

No. of product  
innovations during FY20



**18**

Presence in  
countries

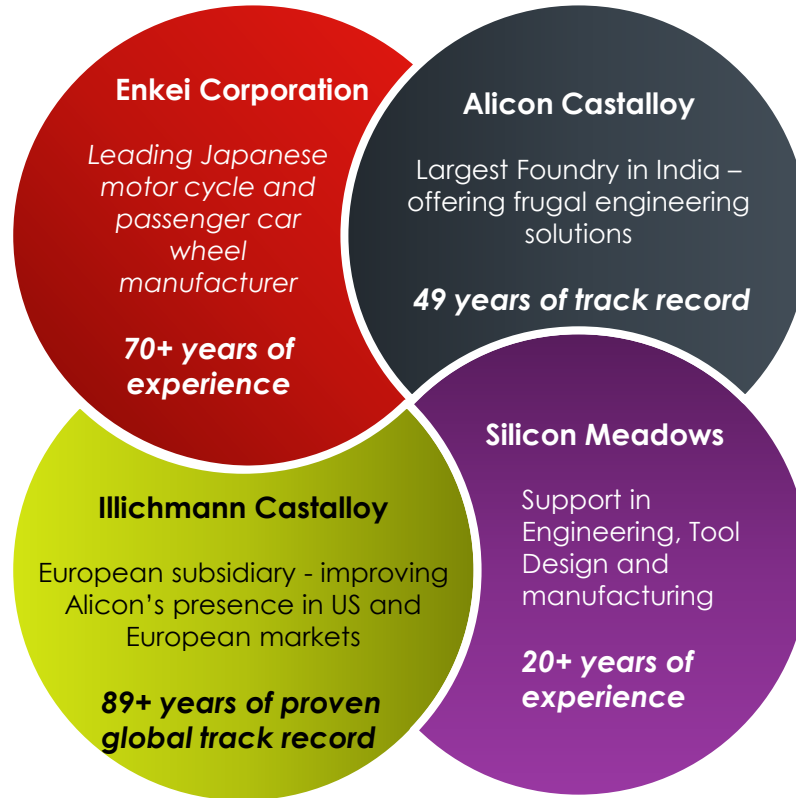


**997**

No. of permanent  
employees

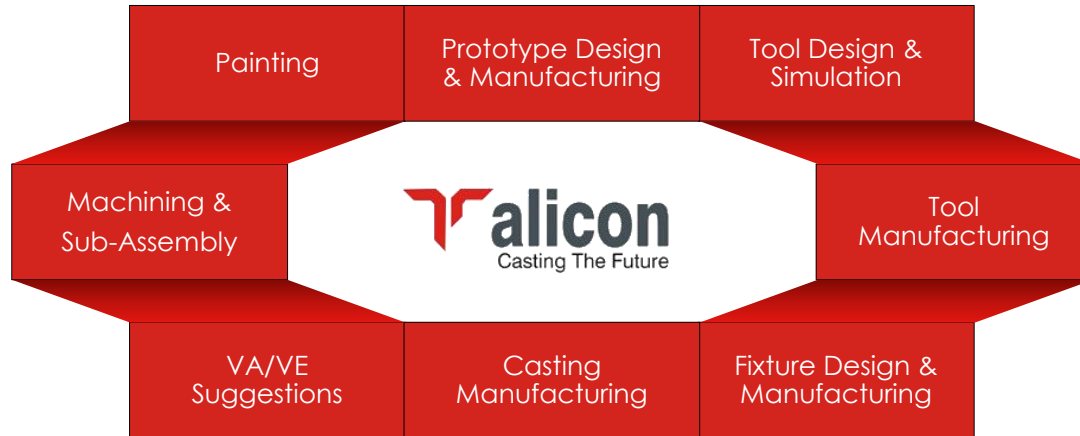
# Alicon Castalloy – Blending the best attributes

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



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...

The background is split into two main sections. The top right section is white and contains a faint, light grey graphic of a circuit board with various lines and dots. The bottom left section is a solid red color with a diagonal gradient, and it contains the main title text in white. The bottom right corner of the slide is a dark grey triangle.

# Q1 FY2022 Operational & Financial Highlights

# Q1 FY22: Overview of Operating Environment

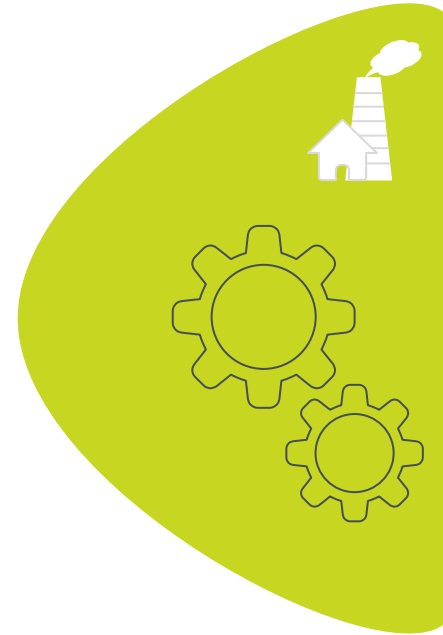
## Business & Macro-demand Highlights:

- April and May 2021 saw subdued demand and volume offtake across domestic markets due to the onset of the second wave of the pandemic
- In addition, commodity-related price hikes and high petrol prices in the quarter impacted demand scenario
- As lockdowns and restrictions eased in June 2021, passenger vehicles witnessed better recovery driven by high pending bookings, low channel inventory and a strong underlying demand
- Rural and urban demand saw an uptick in June continuing in July
- On the international front, most of the key export geographies in the US and Europe reported healthy auto sales led by steady demand and stable currency in key markets
- The Maharashtra and Gujarat governments, have recently introduced maiden policy for Electric Vehicles respectively, improving the industry structure for EV as other states are expected to follow
- The Maharashtra policy offers incentives for demand and charging infrastructure. Further, the policy aims to make Maharashtra the top producer of EVs which will prove beneficial for Alicon, which has 2 out its 4 plants located in Maharashtra



# COVID-19 second wave: Impact on Operations

- Given the lockdowns and restrictions in India, Alicon's manufacturing units operated at 50% average capacity utilization levels and at reduced manning levels
- This, in addition to lower demand in April and May, resulted in lower volumes
- However, with easing of restrictions in June, the Company saw a bounce back in demand coming in from OEMs and reported steady sales in the month of June
- Health & safety of employees is one of the key focus areas for Alicon. The Company continues to follow strict adherence to social distancing, hygiene protocols and safety
  - In May and June, the Company started vaccination drives for protection against Covid-19 for its employees, employee dependents, support staff and business partners
- From a business standpoint, Alicon continues to institute cost rationalization initiatives and has undertaken optimum working capital measures to conserve cash flows and ensure steady profitability



# Q1 FY22 - Operational Resilience

- Lower fixed expenses
- Lean and Agile manufacturing processes
- Improved gross margins
- Focus on reducing overheads
- Program to reduce interest cost

- Manufacturing facilities operating at steady 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

**Sustainable Cost-optimisation**

**New Business Wins:**

- In Q1FY22, the Company has booked 13 parts
- This includes 4 parts in the Domestic business
- 9 parts from the Export business

**Key Motto for FY 21-22: 3R**



**Manufacturing processes**

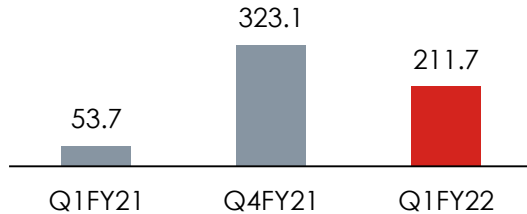
**Future Ready**

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

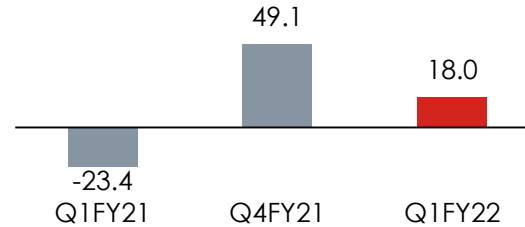
- Shift to personal mobility catalysed by pandemic
- Preference for green vehicles such as hybrid and electric vehicles
- Staggered introduction of vehicle scrappage policy
- Thrust on higher fuel efficiency
- Cost-optimisation & light-weighting of products

# Q1 FY22 Highlights – Consolidated

## Total Income

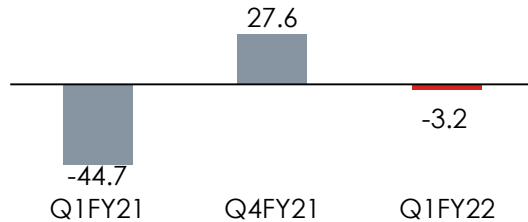


## EBITDA

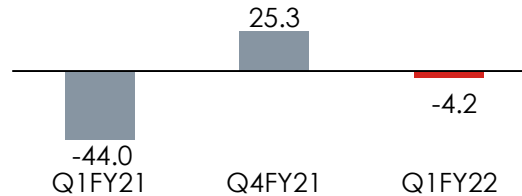


EBITDA %	NM	15.2	9%
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## PBT



## PAT



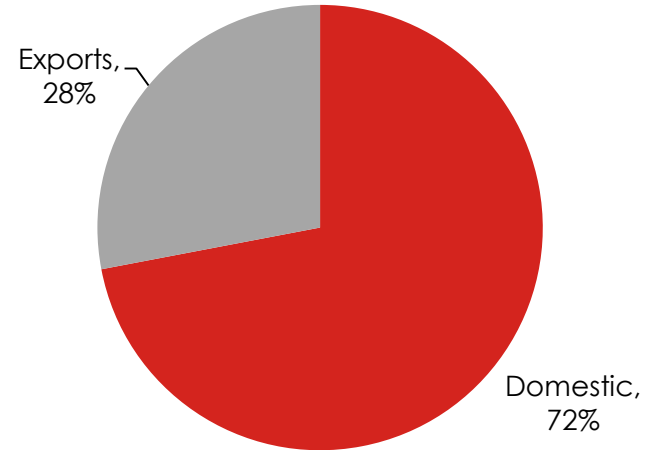
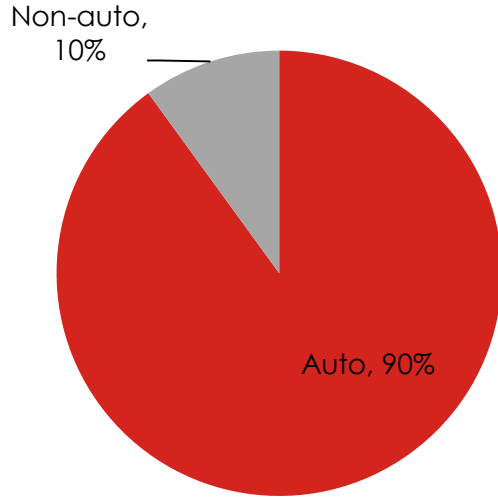
PAT %	NM	7.8	NM
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- Reported a steady performance during the quarter, despite challenges in the operating environment
- Performance supported by improved contribution from international subsidiary – Illichman.
- In Q1, total Income was higher by 294% YoY on the back of a lower base in Q1 FY20
- Other income of Rs. 0.94 crore
- Gross profit stood at Rs. 105.73 crore, with gross margin at 50%
- EBITDA margin at 9% supported by cost-optimization measures
- Reported PAT of Rs. (4.2) crore in Q1

Figures in Rs. Crore



# Revenue Mix – Q1FY22



# Abridged P&L – Consolidated

Particulars (Rs. crore)	Q1FY22	Q1FY21	Y-o-Y Shift
Net Revenue from Operations	210.75	52.98	298%
Other Income	0.94	0.68	38%
<b>Total Income</b>	<b>211.68</b>	<b>53.66</b>	<b>294%</b>
<b>Total Expenditure</b>	<b>193.65</b>	<b>77.07</b>	<b>151%</b>
Raw Material expenses	105.01	25.74	308%
Employee benefits expense	32.01	29.75	8%
Other expenses	56.63	21.59	162%
<b>EBITDA</b>	<b>18.03</b>	<b>(23.42)</b>	<b>NA</b>
<b>EBITDA margin (%)</b>	<b>9%</b>	<b>NM</b>	<b>NA</b>
Finance Costs	8.57	8.89	-4%
Depreciation and Amortization	12.69	12.42	2%
<b>PBT</b>	<b>(3.22)</b>	<b>(44.73)</b>	<b>-93%</b>
Tax Expenses	0.98	(0.74)	-232%
<b>PAT</b>	<b>(4.20)</b>	<b>(43.99)</b>	<b>NA</b>
<b>PAT Margin (%)</b>	<b>NM</b>	<b>NM</b>	<b>NA</b>

# Management Message

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

*“We have reported a resilient performance in the quarter despite challenges in the operating environment in India caused by the severe second wave. During this period, we witnessed subdued offtake by OEMs and other customers, which impacted our volumes, particularly in the months of April and May. However, as restrictions eased, there was a hint of a revival in June which has gained further traction in July. On the exports front, we reported a strong sustained growth led by continued demand in key geographies.*

*I am delighted to share that we have successfully concluded our fund raise aggregating to Rs. 80 crore through a QIP in June. The fund raising exercise witnessed a high level of interest and has been 100% allotted to marquee Domestic Institutional Investors. This was followed by a preferential issue aggregating Rs. 30 crore to our promoters and our large, non-institutional investor in July. This capital will enable us to execute on our large order backlog with growth visibility spanning multiple years. We will also take the opportunity to reduce debt and strengthen the balance sheet further.*

*As we look ahead, the enquiry pipeline is robust and the global auto sector is poised for a growth revival after several challenging years. Even as electric mobility is the pre-eminent growth driver for the industry at present, other opportunities for accretive growth are emerging. Overall, we remain future-ready and look forward to a positive fiscal ahead”*



# Concall Details

# Conference Call Details

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## Alicon Castalloy's Q1 FY22 Earnings Conference Call

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**Time & Date**

- 12.00 noon IST on Friday, August 6, 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

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**Alicon Castalloy Ltd**

Tel: +91 74200 73369

E-mail: [tarun.vyas@alicongroup.co.in](mailto:tarun.vyas@alicongroup.co.in)

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**Mayank Vaswani / Shikha Kshirsagar / Mit Shah**

**CDR, India**

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For more information, visit [www.alicongroup.co.in](http://www.alicongroup.co.in)