

18<sup>th</sup> May 2023

**BSE Limited**  
Listing Operations  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai - 400 001  
Maharashtra, India  
**BSE Script Code: 532864**

**National Stock Exchange of India Limited**  
Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051  
Maharashtra, India  
**NSE Script Code: NELCAST**

Dear Sir/Madam

Sub: **Investor Presentation**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation. The copy of the disclosure is available on the website of the Company at <http://www.nelcast.com>.

We request you to take this information on record.

Thanking you.

For **Nelcast Ltd**

**(S.K. Sivakumar)**  
**Company Secretary**

159, T T K ROAD, ALWARPET, CHENNAI - 600 018, INDIA  
Tel.:+91-44-2498 3111/2498 4111 Fax : 91-44-24982111  
e-mail:nelcast@nelcast.com; web: www.nelcast.com  
CIN : L27109AP1982PLC003518

Regd. Off.: 34, Industrial Estate, Gudur - 524 101 (A.P.) Tel.: 251266 / 251766 Fax:08624-252066  
Ponneri works :Madhavaram Village, Amur P.O, Ponneri - 601 204 .T.N Tel.: 27974165/27973532, Fax: 27973620  
Pedapariya Works : 259 /261, Pedapariya Village, Ozili Madal, Nellore Dist - 524402. (A.P.)

IATF 16949 : 2016 \* ISO 14001 : 2015 \* ISO 50001 : 2011



ISO 9001 : 2015

\*

OHSAS 18001 : 2007

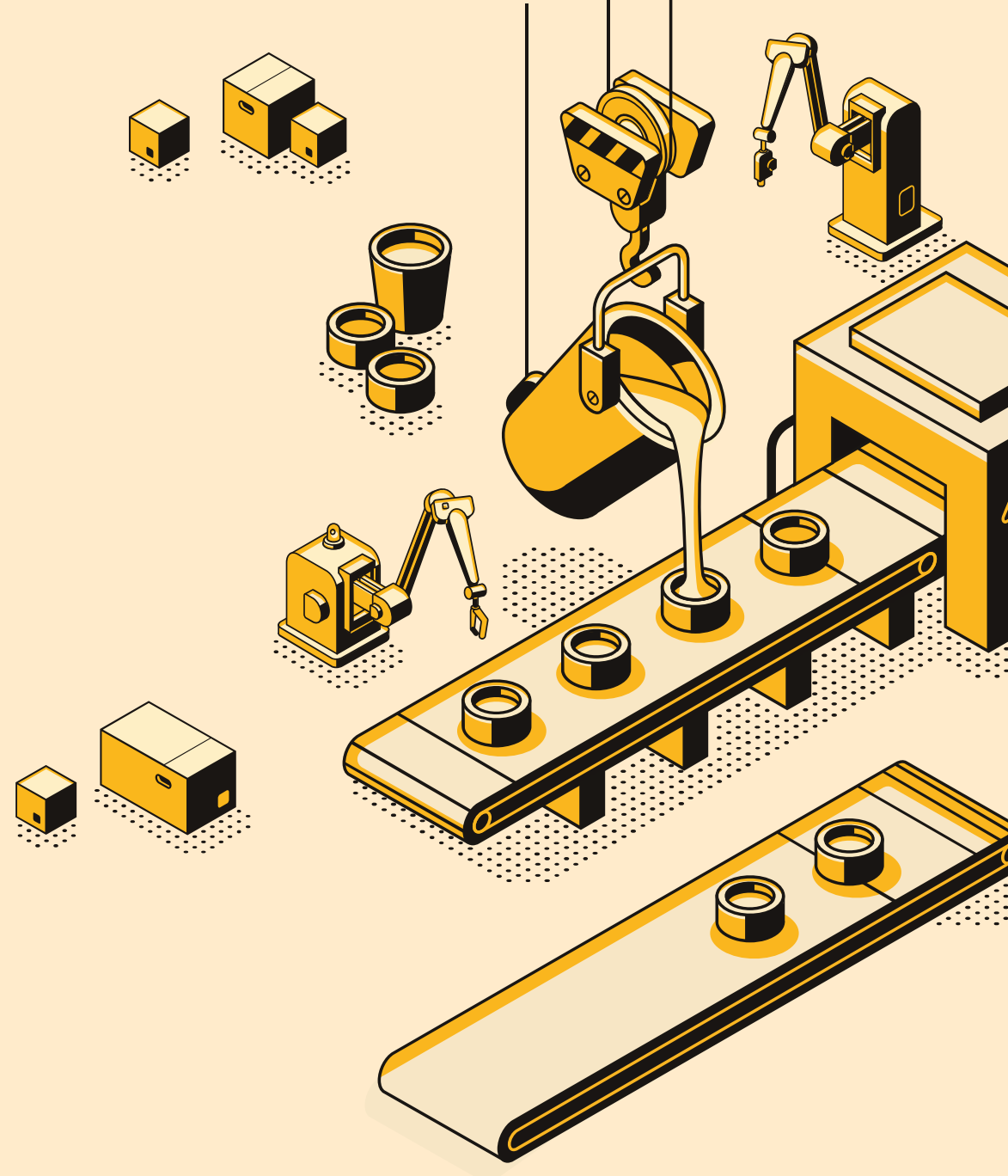
**NELCAST**  
LIMITED



# Investor Presentation

May 2023

BSE: 532864 | NSE: NELCAST | ISIN: INE189101024  
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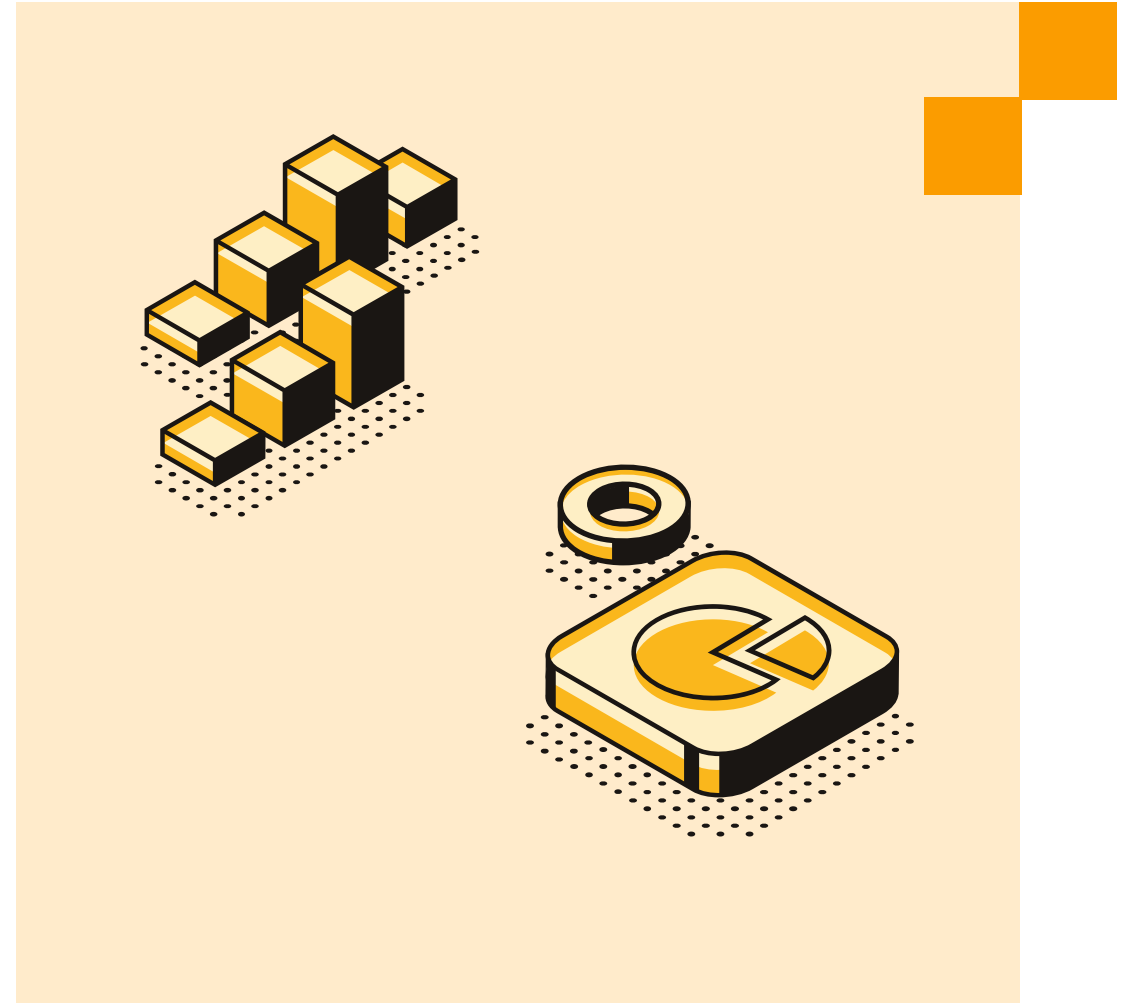
# Q4 & FY23 Highlights

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# Profit & Loss Highlights

Consolidated (in INR Cr.)	Q4FY23	Q4FY22	YoY %	Q3FY23	QoQ %	FY23	FY22	YoY %
<b>Total Revenue</b>	315.2	271.8	16.0%	333.7	(5.6) %	1,280.1	936.7	36.7%
<b>EBITDA</b>	20.8	20.9	(0.4) %	21.3	(2.3) %	95.5	67.5	41.5%
<b>EBITDA Margin %</b>	6.7%	7.8%	(115) bps	6.5%	15 bps	7.5%	7.3%	26 bps
<b>EBITDA/kg</b>	9.7	10.5	7.5%	10.0	(3.3) %	11.3	9.0	25.8%
<b>PAT</b>	4.5	6.8	(33.6) %	5.3	(16.0) %	29.7	14.2	109.1%
<b>PAT Margin %</b>	1.4%	2.5%	(106) bps	1.6%	(18) bps	2.3%	1.5%	80 bps

## FY23 REVENUE

# ₹1,280<sub>CR</sub>

Crossed the Rs. 1,000 crores mark. YoY Growth was driven by strong demand in the Commercial Vehicle segment and Exports.

### Q4FY23

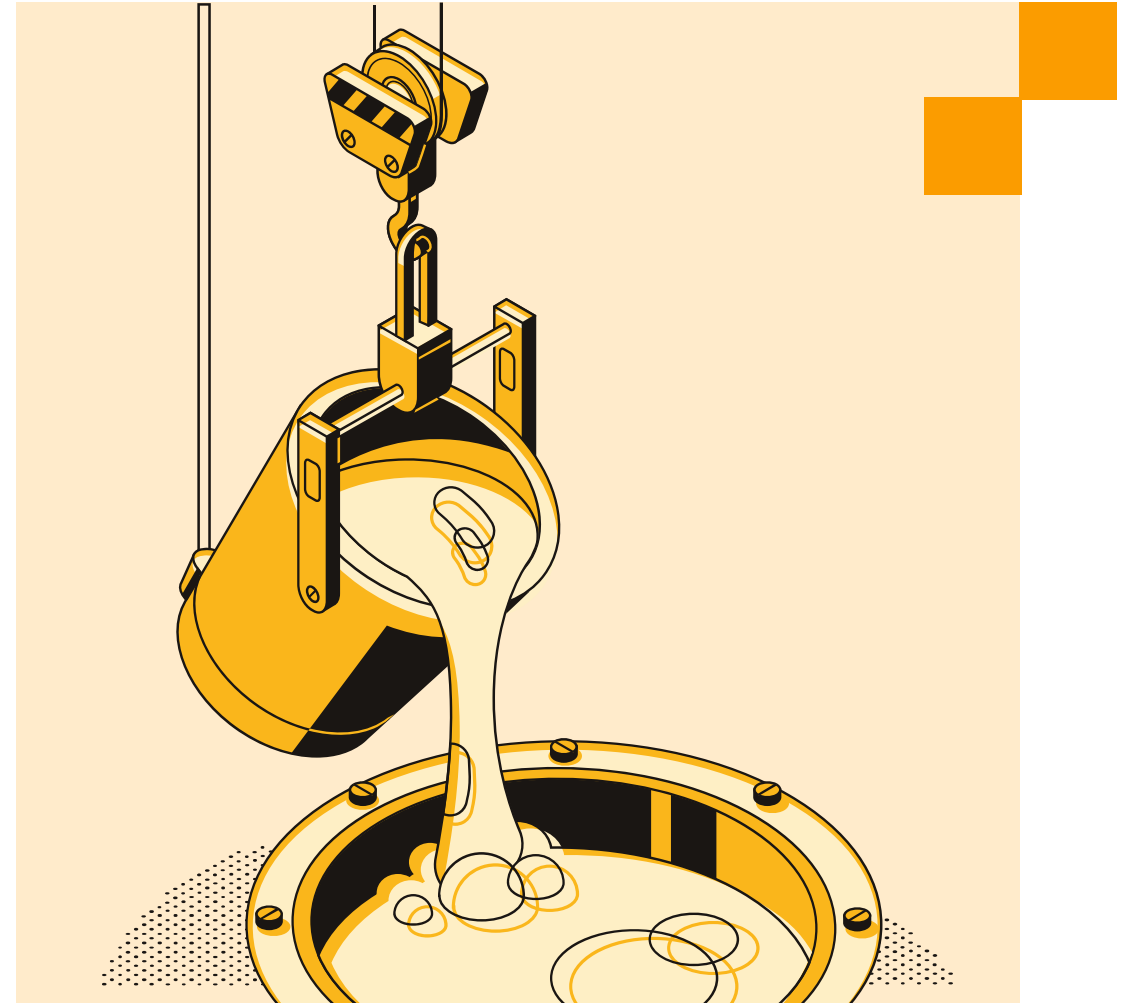
- QoQ revenue impact was due to operational challenges within the company
- EBITDA was impacted due to lower volume, slowdown in tractor segment and increased operating cost

# Key Developments & Outlook

PARTICULARS	CURRENT (FY23)	OUTLOOK (FY24 & FY25)
Overall Performance	Reported strong growth primarily driven by strong demand in Railways, Exports and Commercial Vehicles.	We foresee a strong demand in commercial vehicle segment and increased volume of business. Therefore, we expect double-digit top line growth in FY24.
Tractors	Tractor sales in the industry were at an all-time high as they sold over 945,000 units in FY23, up 12% YoY. Our revenue grew by 24% YoY, driven by strong demand.	Expect growth to be marginally lower due to slow growth in the rural economy. However, we expect to get more clarity once the monsoon data is released.
Medium & Heavy Commercial Vehicles	Witnessed a decent recovery in the automotive industry as sales grew by 34% YoY. We reported revenue growth of 47% YoY driven by strong industry demand.	Automotive Industry is expected to grow strongly in FY24 driven by increased demand for tippers due to increased infrastructure spends by the government. Tippers contribute significantly to our top line and have a high casting content. Therefore, we expect the growth momentum to continue in FY24.
Exports	Reported strong growth of 49% YoY as we surpassed our guidance of Rs. 300 Crores. Base business contributed more than new launches.	Expect new products to contribute materially as supply chain issues get resolved and demand picks up. Strong order back log to run into FY24, giving us the confidence to grow ~20% in the coming year.
EBITDA/kg	The impact was due to high raw material prices. Historically, the domestic prices tend to mirror international prices. However, we saw a large divergence this time around as the domestic prices continued to remain high despite a reduction in the international prices.	We are starting to see convergence in Q1FY24 and expect to achieve a significant improvement in EBITDA/kg.
Sales Volumes	Witnessed a decent volume growth on a YoY basis (84,381 Tonnes in FY23 vs 71,905 Tonnes in FY22).	Expect 10-15% sales volume growth in FY24.

# Company Overview

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# Company at a glance



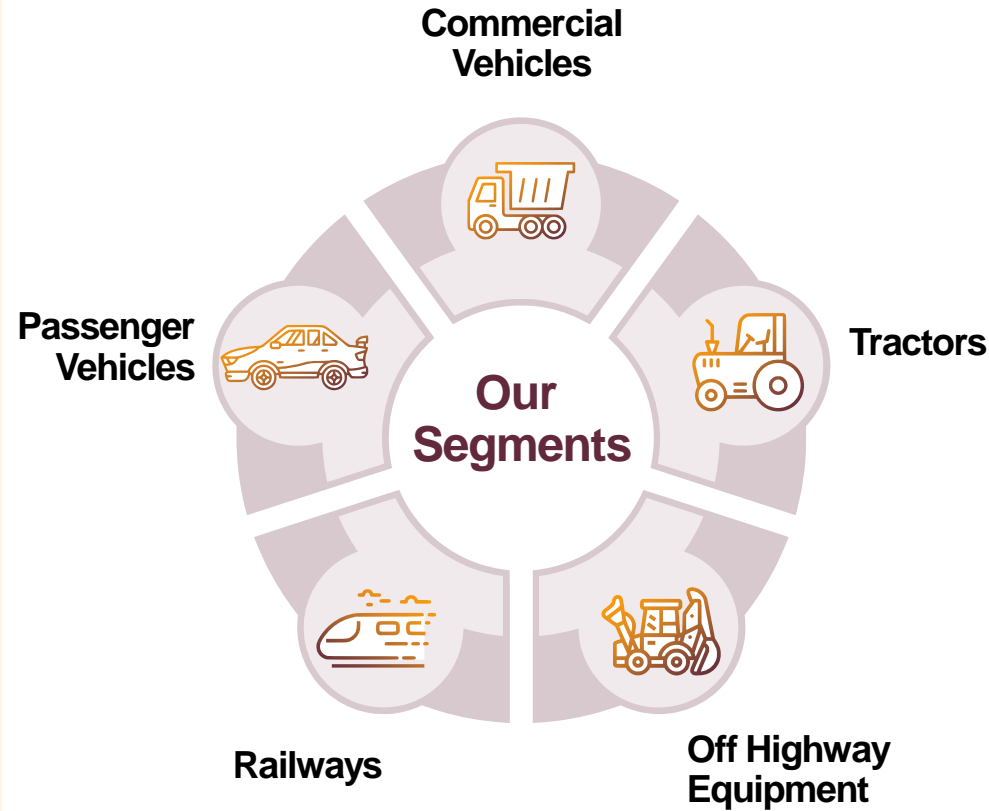
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



The Company caters to a marquee clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railway & Passenger Vehicle segments.



Besides a strong position in the domestic market, Nelcast has a rapidly growing presence spread across North America, Europe and Southeast Asia.



## Where do we stand today?

**LARGEST PRODUCER**  
of Ductile Iron Castings

**TOP 10 PRODUCER**  
of Grey Iron Castings

**ONLY CASTING MANUFACTURER**  
with a product range from 0.5-400Kg

**STRONG CUSTOMER BASE**  
with supplies to 40+ customers across segments

**STATE OF ART MANUFACTURING FACILITIES**  
for High Pressure Green Sand Moulding

**IATF & ISO CERTIFIED**  
for Quality, Environment, Health & Safety Systems

# Key Products



## Commercial Vehicles



Forward  
Differential Carrier



Rear Differential Carrier



Bogie Suspension Bracket



## Tractors



Transmission Housing



Rear Axle Housing



4WD Axle Housing



## Off Highway Equipment



Trumpet Axle Housing



Monolithic Axle Housing



Forklift Steer Axle



## Railways



Brake Disc Friction Ring



Metro Rail Baseplates



## Passenger Vehicles



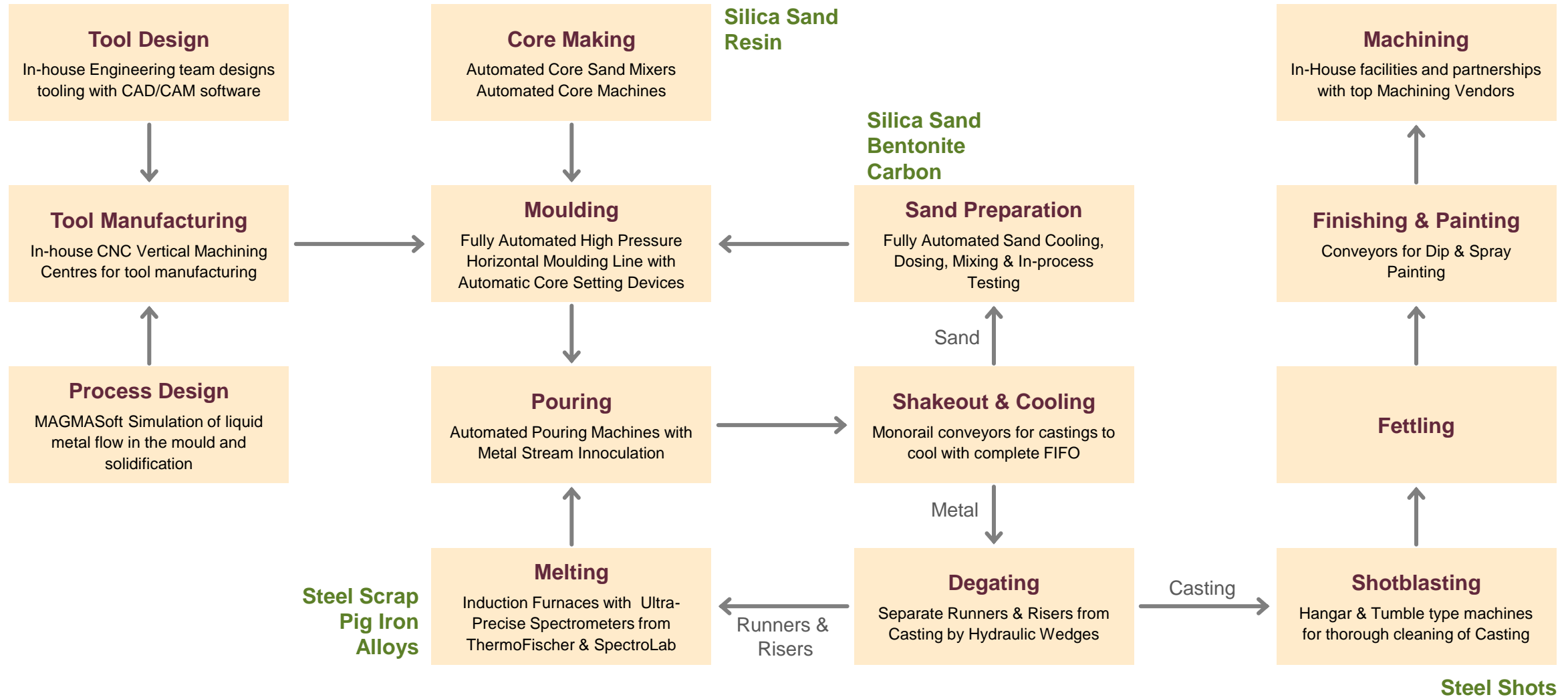
Differential Carrier



Differential Case



# Manufacturing Process & the Nelcast Advantage



# Our Well-Equipped Plants



## INSTALLED CAPACITY

**60,000 Metric Tons per Year**

## MOULDING LINES

- Line 1: DISA Flex 70 with Double Squeeze
  - 800 X 700 X 300 + 300 mm (2013)
- Line 2: DISA Flex 90 with Double Blow
  - 1230 X 1000 X 450+400 mm (2016)
- Line 3: DISA Flex 90 with Double Squeeze
  - 1230 X 1000 X 450+400 mm (2022)
- Inductotherm Flexpour Pouring Machine with synchronized pouring. Equipped with automated Metal Stream Inoculation
- Automatic Core Setting devices
- Automatic In-cycle Tool Change System



## INSTALLED CAPACITY

**40,000 Metric Tons per Year**

## MOULDING LINES

- Line 1: KW DFM with AirPressplus2000
  - 1200 X 900 X 400 + 400 mm (2001)
- ABP PressPour System delivers the metal at constant temperature with induction heating. Equipped with automated Metal Stream Inoculation System
- Automated Core Setting Device
- Automatic In-cycle Tool Change System



## INSTALLED CAPACITY

**60,000 Metric Tons per Year**

## MOULDING LINES

- Line 1: Sinto FCMX with Aeration Squeeze
  - 700 X 600 X 250 + 250 mm (2018)
- Line 2: KW MasterECO with TwinPress 4.0
  - 2100 X 1200 X 475 + 425 mm (2020)
- Loramendi SLC3-220 Core Cell with robotic core pickup & painting integrated with Conveyors, Automated Storage/Retrieval System (ASRS) and Autonomous Guided Vehicles (AGV) for core handling
- Fujiwa-Denki & Inductotherm Flexpour Pouring machines with synchronized pouring. Equipped with automated Metal Stream Inoculation System.
- Automatic Core Setting Device
- Automatic In-cycle Tool Change System

# Our Journey



Nelcast Private Limited was established by P. Radhakrishna Reddy with a modest capacity of 1000 Metric tons/year



Commencement of exports to the US



Commencement of exports to Europe



Awarded the ISO 14001 (Environment) & ISO 18001 Accreditation



Commencement of exports to Thailand



Start of Production at the Pedapariya (AP) plant with fourth High Pressure Moulding Line



Crossed the Rs.300 Crores mark in exports in FY23

1980-85

1990-95

2000-05

2005-10

2010-15

2015-20

2020-Present



Start of Production at the Gudur (AP) Plant



Entry into Tractor segment



Commissioning of first High Pressure Automatic Moulding Line at Ponneri Plant



Successful IPO and listing on BSE & NSE



Entry into Off-Highway Equipment segment



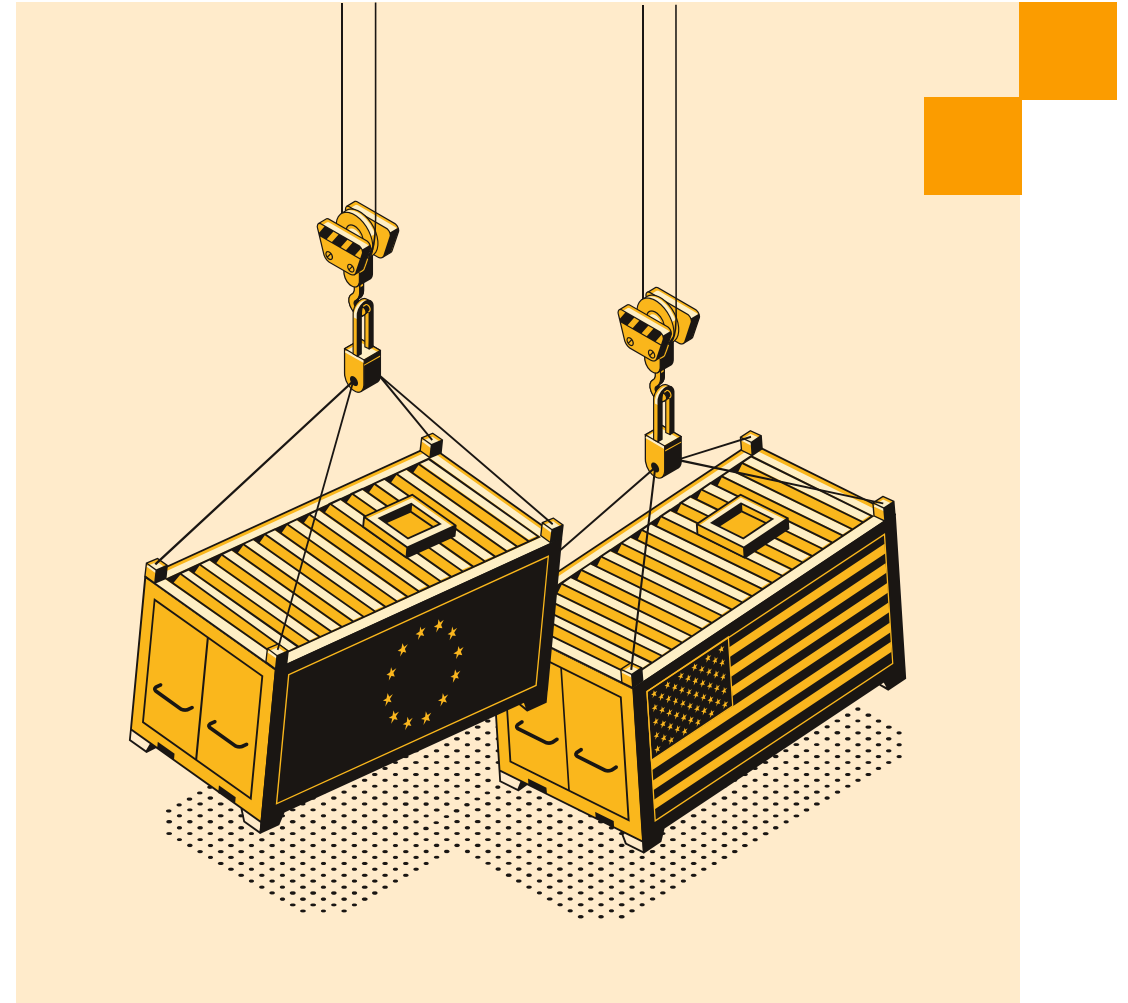
Awarded ISO 50001 Certification for Energy Management System



Modernisation of Unit-1 in Gudur with sixth High Pressure Moulding Line

# Why Nelcast?

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# Our Strengths



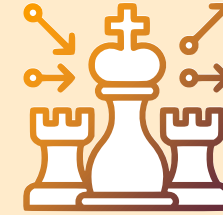
1

**Diversified Customer  
base with strong  
relationships**



2

**Strategic  
Location**



3

**Strategic Business  
Foundation**



4

**Strong Export  
Growth Potential**



5

**Large Market  
Opportunity**



6

**Led by an  
Experienced Board**



# 1 Diversified Customer Base with Strong Relationships

- Customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railways and Passenger Vehicles
- Has a distinguished customer base of more than 40 customers that includes OEMs and Tier 1 companies
- Serves as a strategic supplier and partner of first choice to TAFE, Tata Motors, DANA, Ashok Leyland, Automotive Axles Limited, Meritor and American Axles & Manufacturing, among others
- A one-stop shop for its customers for Grey Iron, Ductile Iron and Austempered Ductile Iron ranging from 0.5 Kg to 400 Kg
- Awards received over the past few years serve as a validation of our efforts as we focus on delivering value to our customers

## Top OEM Customers



## Top Tier-1 Customers

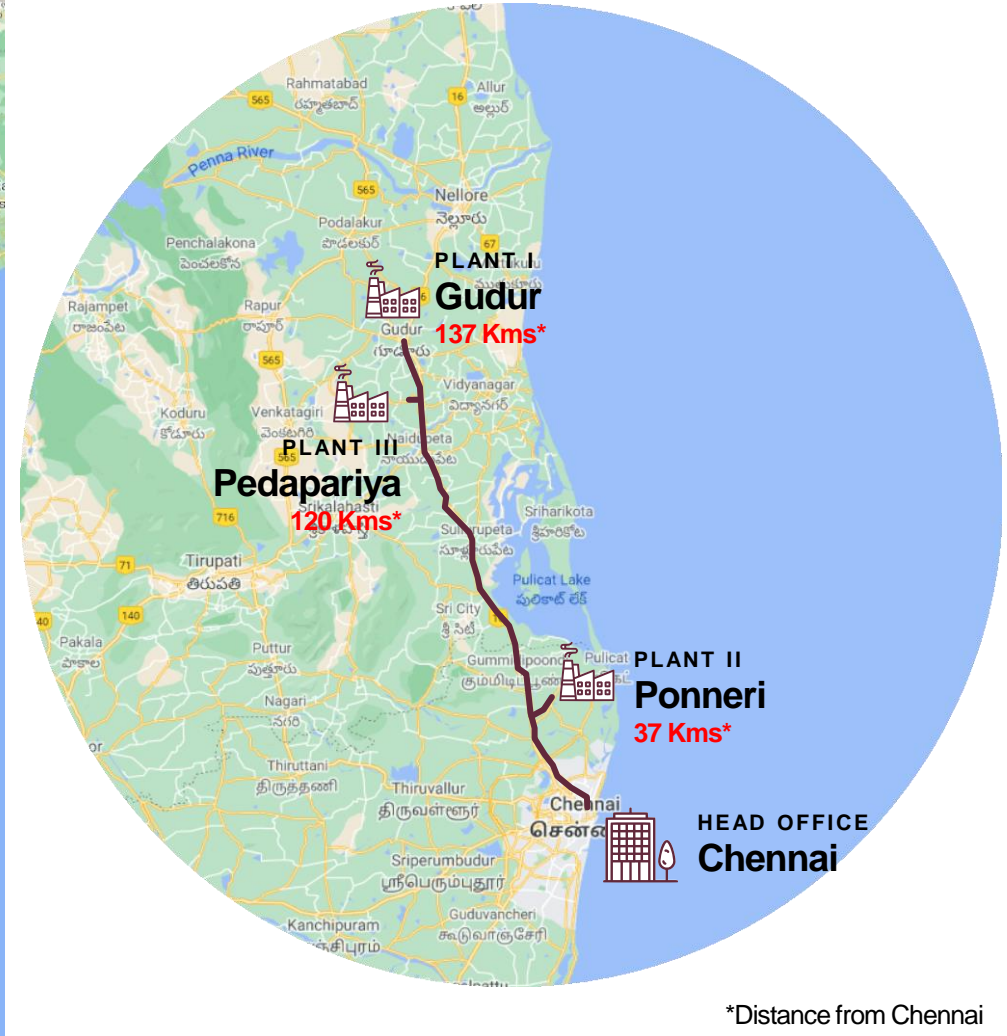
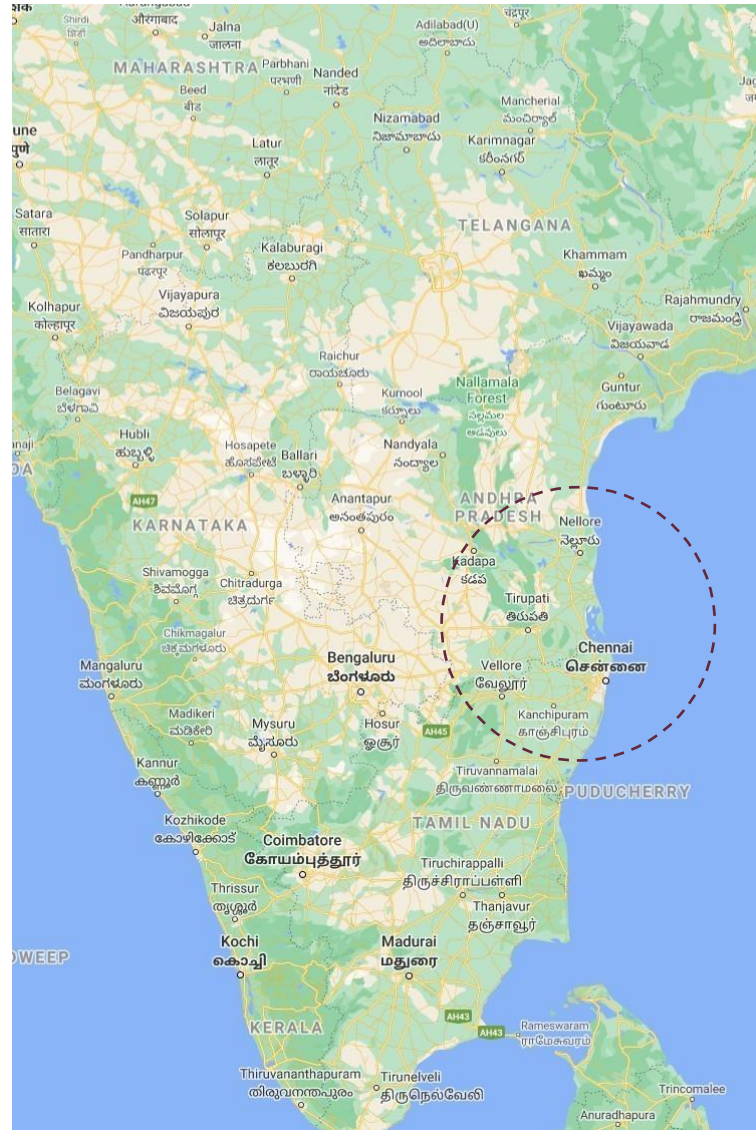


## Awards



## 2 Strategic Location

- Plants are in close proximity (37-140 KM) to Chennai, a major manufacturing hub for automotive companies forms both a key customer base for Nelcast and a reliable source of steel scrap, a crucial raw material
- All 3 plants are within 15-110KM of India's largest source of Silica Sand near Gudur
- Chennai's International airport with direct flights to Europe, Middle-East & Southeast/East Asia makes it convenient for customers to visit and see the world class facilities firsthand
- Close proximity to Krishnapatnam & Chennai seaports gives easy access to Nelcast to reach its customers around the world

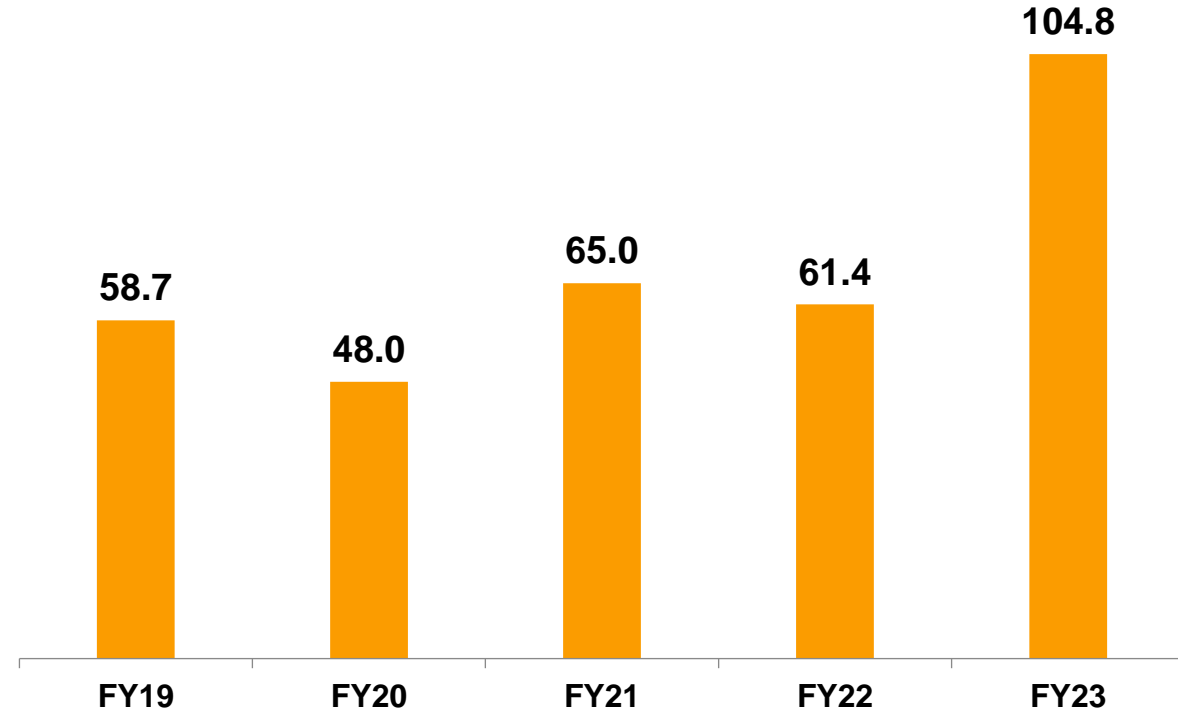


\*Distance from Chennai

# 3 Strong Business Foundation

- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within the existing plants with minimal investment

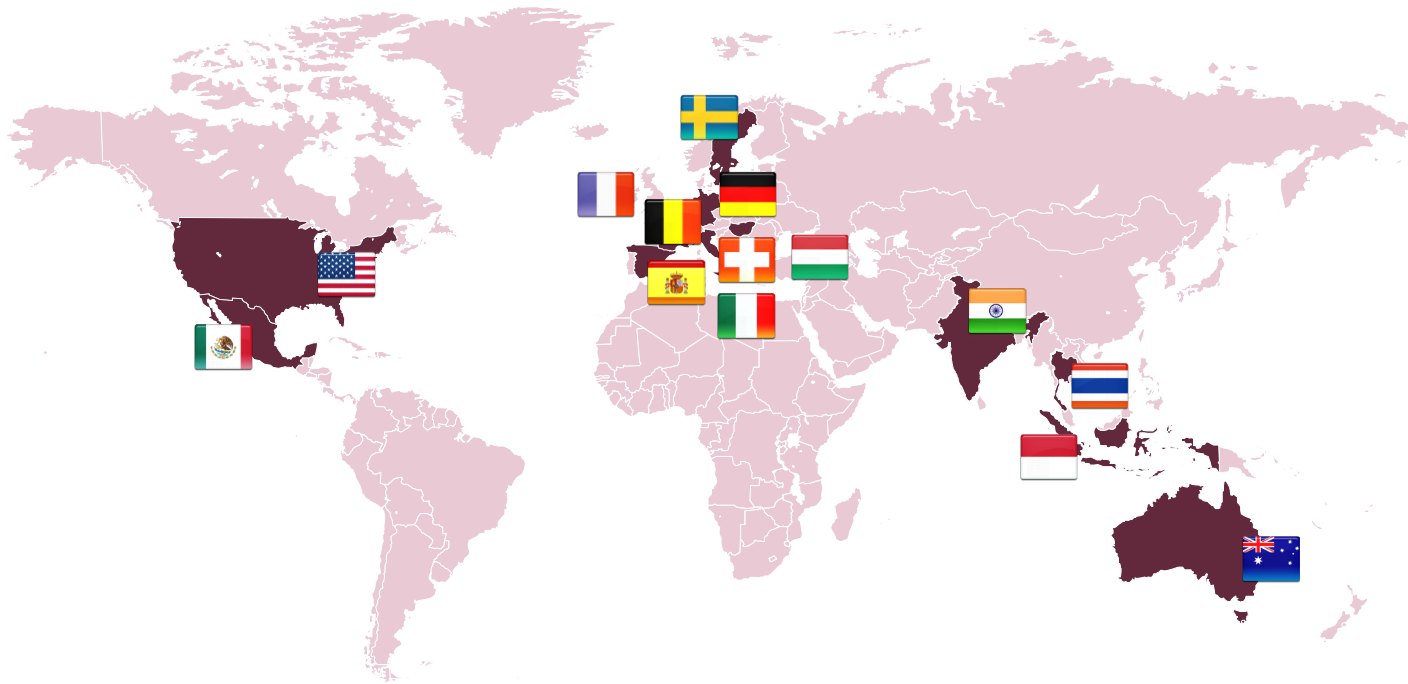
Cash & Cash equivalents (in Rs. Cr.)



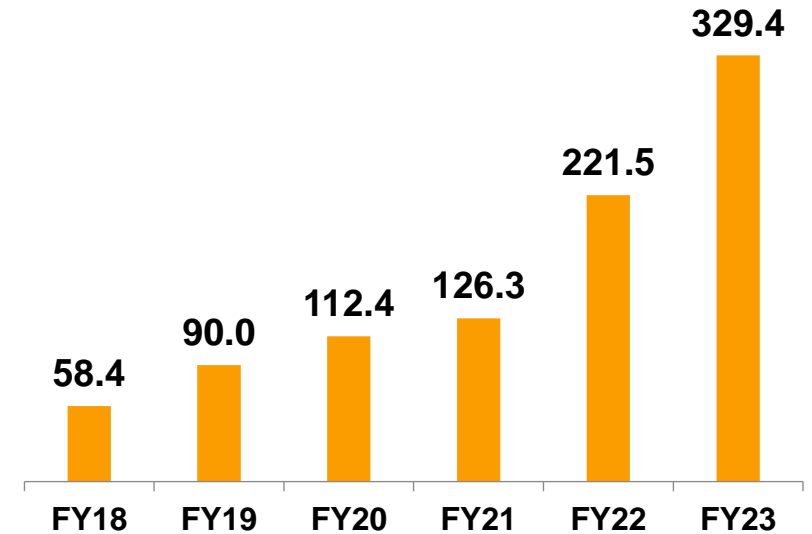


# 4 Strong Export Growth Potential

- India is being viewed as a key cog in the global automotive supply chain and sourcing machined castings from India is now becoming an attractive option for global customers.
- Nelcast is among only a few companies in the industry capable of meeting the requirements of top global OEMs & Tier 1s.
- Currently, Nelcast exports machined castings to reputable corporates in North America, Europe and Southeast Asia.



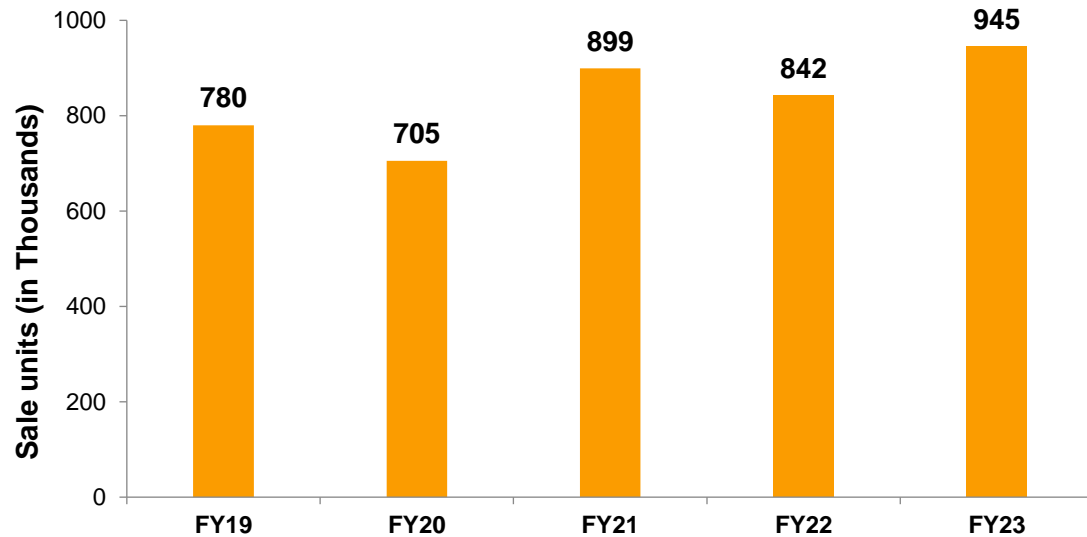
Revenue from Exports (in Rs. Cr.)



# 5 Large Market Opportunity

## Indian Tractor Industry

Industry volumes touched all-time high in FY2023; expected to remain stable

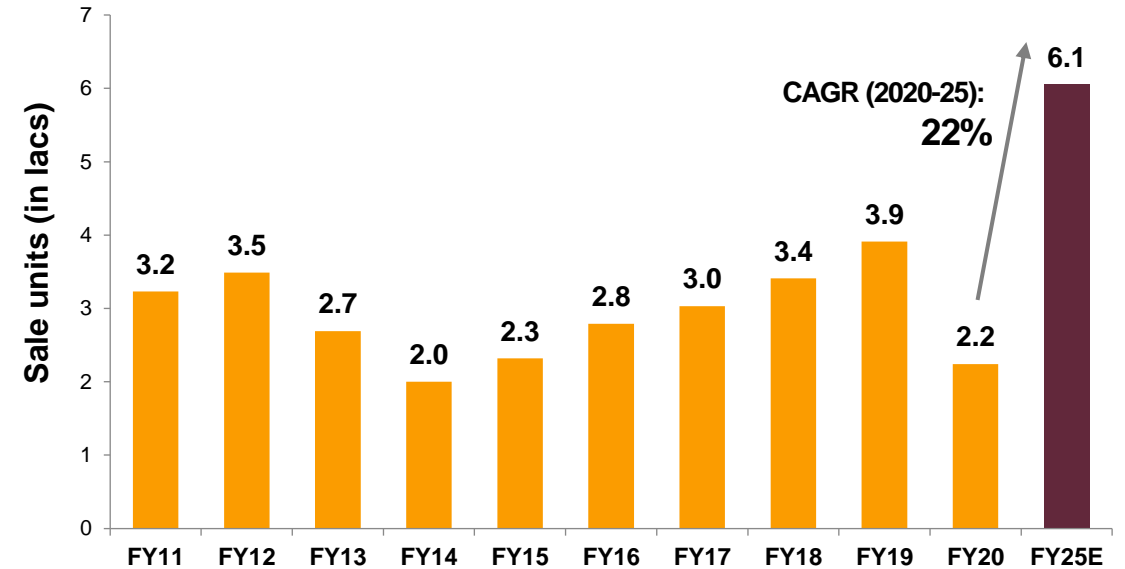


Source: Tractors and Mechanization Association

The tractor demand declined in FY22 due to delayed harvests and stagnant rural wage growth. However, the industry had a strong FY2023 driven by rise in minimum support prices which led to an increase in farm income, another year of above-average monsoon coupled with technological advancements.

## Indian M&HCV Industry

Domestic M&HCV sales to grow at a CAGR of 22% between 2020-2025; expected to touch over 600,000 units



Source: SIAM, IHS Markit

The heavy-duty trucks account for **over 55%** of the total M&HCV sales in India. They are estimated to continue their dominance in the years to come, followed by buses, the worst-affected segment in the pandemic, is predicted to be the fastest growing, due to low base effect.

# 6 Led by an Experienced Board



**D. Sesa Reddy**  
Chairman

- Chairman of Dodla Dairy and Nelcast
- Possesses wide industrial entrepreneurial experience
- Has been on the Board of Nelcast since its inception



**P. Deepak**  
Managing Director

- MBA from Kellogg School of Management
- MS in Engineering Management
- Industrial experience at M/s. Federal-Mogul Corp., USA, M/s. Nelcast USA Inc. and M/s. Deere & Company



**P. Divya**  
Director

- MS in Network Information Systems, BE degree with Honours in Computer Engineering
- Managed various projects globally, ultimately specializing in Change Management & Governance at Deutsche Bank



**R. Sridharan**  
Director

- Graduate from Madras University
- Served as the Managing Director & Group Executive of SBI, and MD of Clearing Corporation of India Limited and its wholly owned subsidiary Clearcorp Dealing Systems India Limited



**A. Balasubramanian**  
Director

- Bachelors degree in Science and a Chartered Accountant
- About 35 years of experience in the areas of Banking, Finance and Management
- Worked in Punjab National Bank for about 30 years at various capacities and retired as Chief General Manager



**Maheswari Mohan**  
Director

- Post Graduate in M.A (Psychology) and LL.M (IPR & Cyber Laws). Certified by Indian Institute of Arbitration & Mediators, Cochin
- About 29 years of experience in the field of law, practicing in High Courts representing Corporate/MNC's/General public.

# Focussed on a Sustainable Future

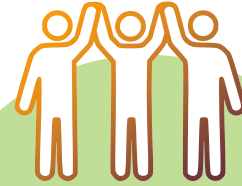
- **Renewable energy:**

About 60% of the power requirement is met through renewable sources

- Plantation of trees
- Core sand reclamation
- Building with bricks made out of waste black sand



**Protecting the Environment**



**Giving back to the Community**

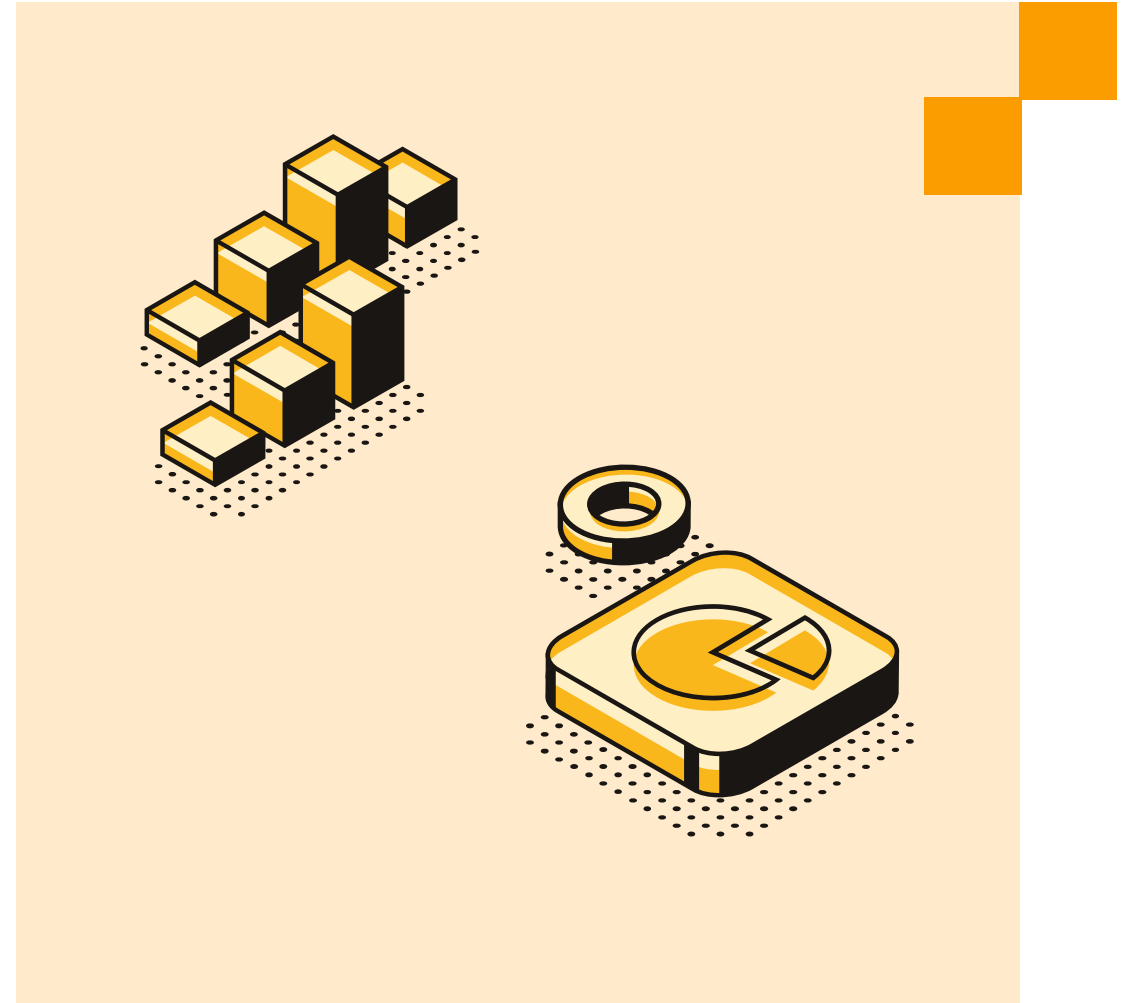
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



# Annual Financials

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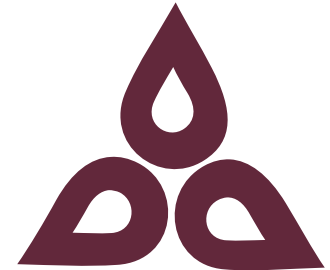
# Profit & Loss Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	856.27	566.76	614.97	927.34	1,263.97
Total Income	862.21	580.35	619.85	936.74	1,280.12
Total Expenses	804.49	549.55	607.56	917.69	1,239.80
<b>EBITDA</b>	<b>81.82</b>	<b>61.86</b>	<b>51.27</b>	<b>67.49</b>	<b>95.51</b>
D&A	17.47	18.53	21.74	22.62	24.01
<b>EBIT</b>	<b>64.35</b>	<b>43.33</b>	<b>29.53</b>	<b>44.86</b>	<b>71.50</b>
Finance cost	6.63	12.52	17.24	25.82	31.18
<b>PBT (after exceptional items)</b>	<b>57.72</b>	<b>30.81</b>	<b>12.29</b>	<b>19.05</b>	<b>40.32</b>
Total Tax Expense	19.28	(5.20)	3.25	4.83	10.58
<b>PAT</b>	<b>38.44</b>	<b>36.01</b>	<b>9.04</b>	<b>14.22</b>	<b>29.74</b>

# Balance Sheet Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
<b>Total non-current assets</b>	<b>430.65</b>	<b>474.03</b>	<b>474.28</b>	<b>483.96</b>	<b>488.10</b>
Inventories	141.59	128.14	118.41	158.73	158.19
Trade receivables	121.17	112.62	164.19	240.35	255.92
Cash & cash equivalents	58.65	48.0	65.04	61.39	104.80
<b>Total current assets</b>	<b>351.14</b>	<b>304.52</b>	<b>365.45</b>	<b>479.07</b>	<b>540.37</b>
<b>Total assets</b>	<b>781.79</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>
<b>Equity</b>	<b>397.86</b>	<b>422.89</b>	<b>432.80</b>	<b>444.39</b>	<b>471.11</b>
Long-term Borrowings	90.88	141.01	107.47	137.42	100.67
<b>Total non-current liabilities</b>	<b>137.80</b>	<b>174.50</b>	<b>144.50</b>	<b>178.36</b>	<b>144.74</b>
Short-term Borrowings	108.92	84.11	107.23	142.12	203.01
Trade Payables	106.29	80.58	127.96	180.59	182.68
<b>Total current liabilities</b>	<b>246.12</b>	<b>181.16</b>	<b>262.42</b>	<b>340.28</b>	<b>412.62</b>
<b>Total equity and liabilities</b>	<b>781.79</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>

**NELCAST**  
**LIMITED**



# Thank You

For further details please contact:

**S.K. Sivakumar**

Nelcast Limited

☎: +91 44 2498 4111

✉: [nelcast@nelcast.com](mailto:nelcast@nelcast.com)

**Sonia Keswani/Vikash Verma**

Ernst & Young LLP

☎: +91 8017393854

✉: [sonia.keswani@in.ey.com](mailto:sonia.keswani@in.ey.com)

✉: [vikash.verma1@in.ey.com](mailto:vikash.verma1@in.ey.com)

**Corporate Office**

159, TTK Road, Alwarpet, Chennai - 600 018

[www.nelcast.com](http://www.nelcast.com)