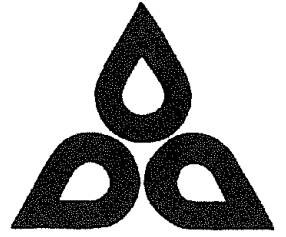


NELCAST LIMITED



1st February 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**

Digitally signed by
SRIKALATHI
SRIKALATHI
SIVAKUMAR
Date: 2023.02.01
20:32:42 +05'30'

(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

IATF 16949 : 2016 * ISO 14001 : 2015 * ISO 50001 : 2018



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 Mandal, Tirupati Dist - 524402 (A.P.)

ISO 9001 : 2015

*

ISO 45001 : 2018

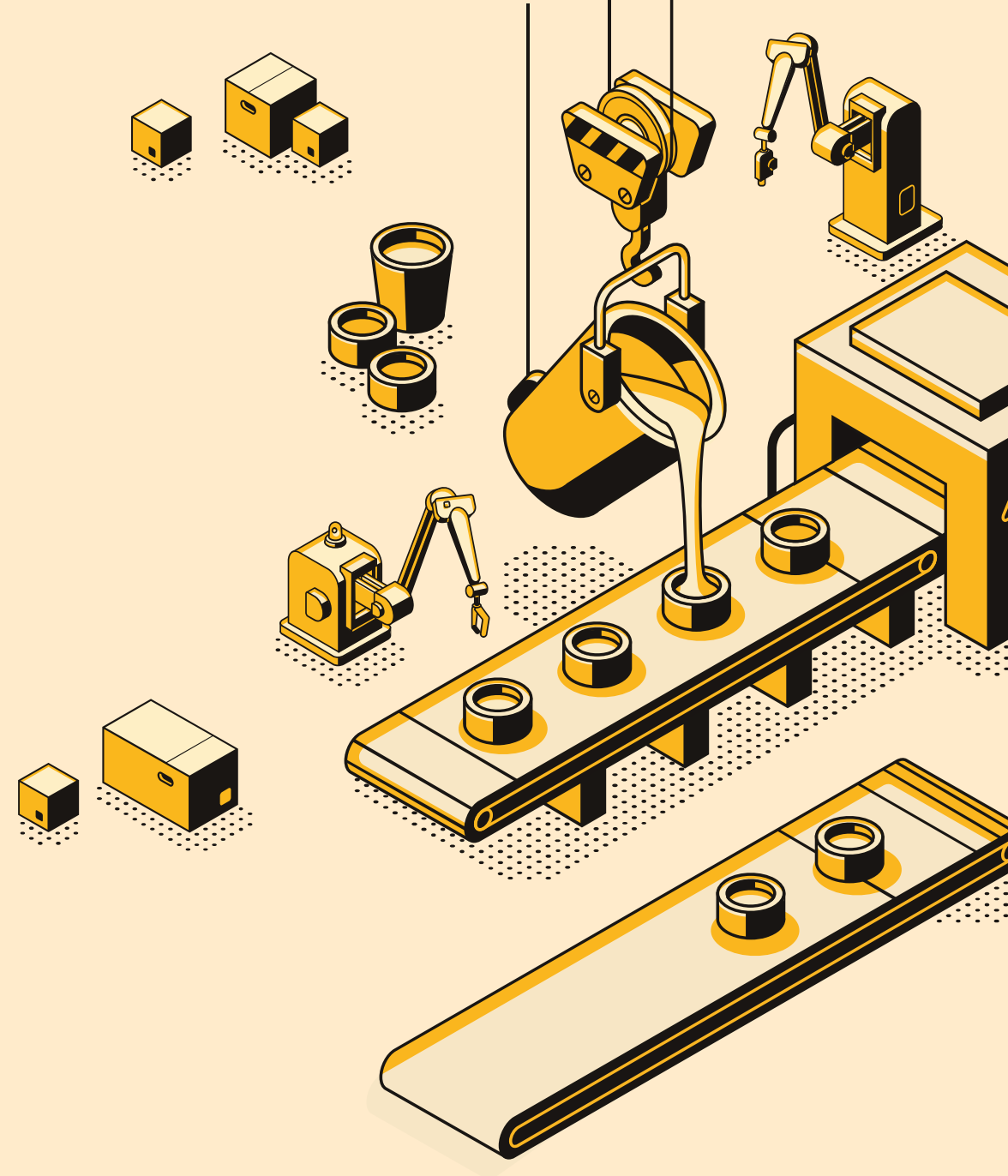
NELCAST
LIMITED



Investor Presentation

February 2023

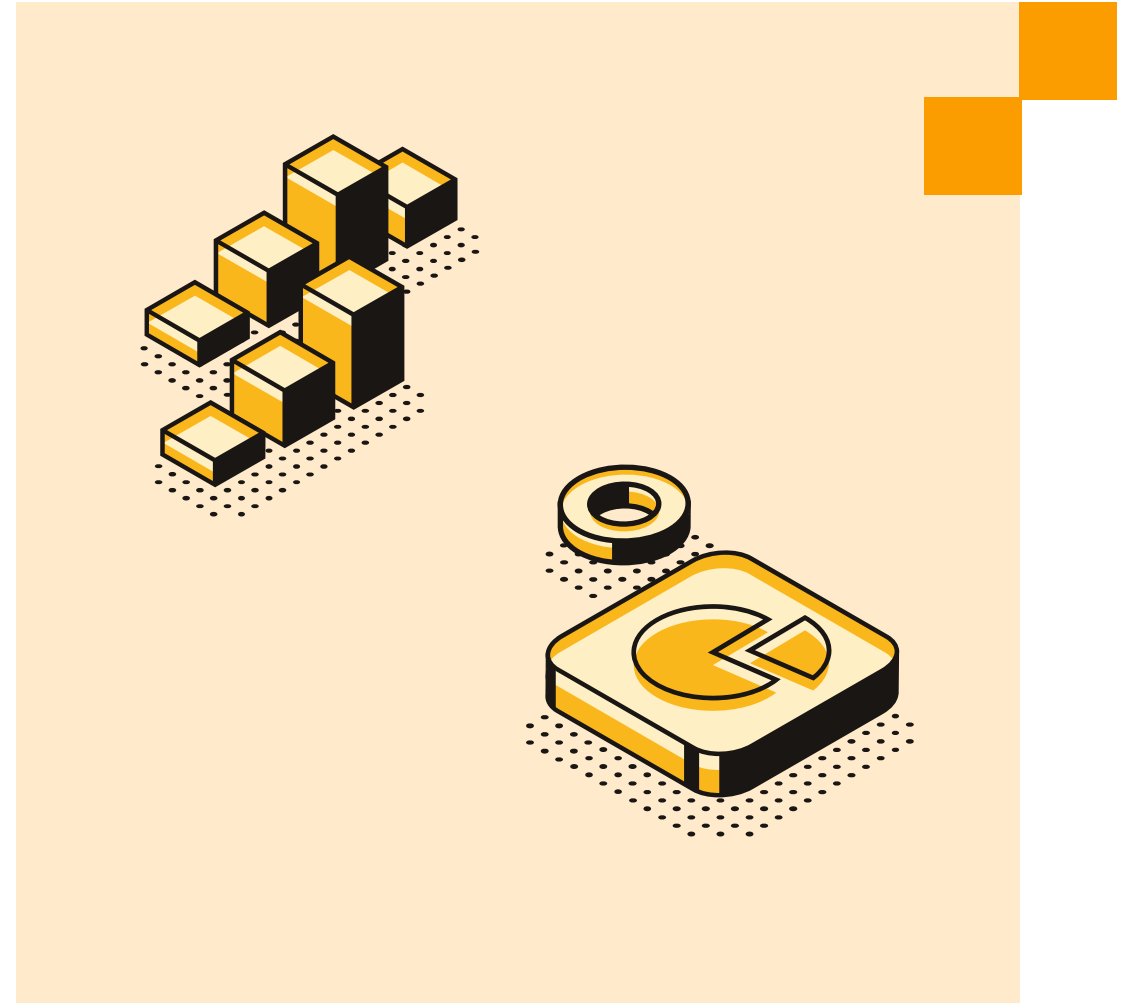
BSE: 532864 | NSE: NELCAST | ISIN: INE189101024
www.nelcast.com



Q3FY23 Highlights

Profit & Loss Highlights 03

Key Developments & Outlook 04



Profit & Loss Highlights

Consolidated (in INR Cr.)	Q3FY23	Q3FY22	YoY %	Q2FY23	QoQ %	9MFY23	9MFY22	YoY %
Total Revenue	333.7	237.1	40.8%	331.7	0.6%	964.9	667.4	44.6%
EBITDA	21.3	15.4	38.0%	30.1	(29.2) %	74.7	46.6	60.3%
EBITDA Margin %	6.4%	6.5%	(13) bps	9.1%	(269) bps	7.7%	7.0%	76 bps
EBITDA/kg	10.0	8.1	24.2%	13.5	(25.4) %	11.9	8.5	40.3%
PAT	5.3	2.1	156.4%	12.2	(56.1) %	25.3	7.5	238.1%
PAT Margin %	1.6%	0.9%	72 bps	3.7%	(206) bps	2.6%	1.1%	150 bps

REVENUE

₹334_{CR}

YoY Growth was driven by strong demand in the Commercial Vehicle segment and Exports. However, QoQ growth was marginally impacted due to disruption in company's operations due to transformer failure that led to low volumes.

EBITDA/KG

₹10.0

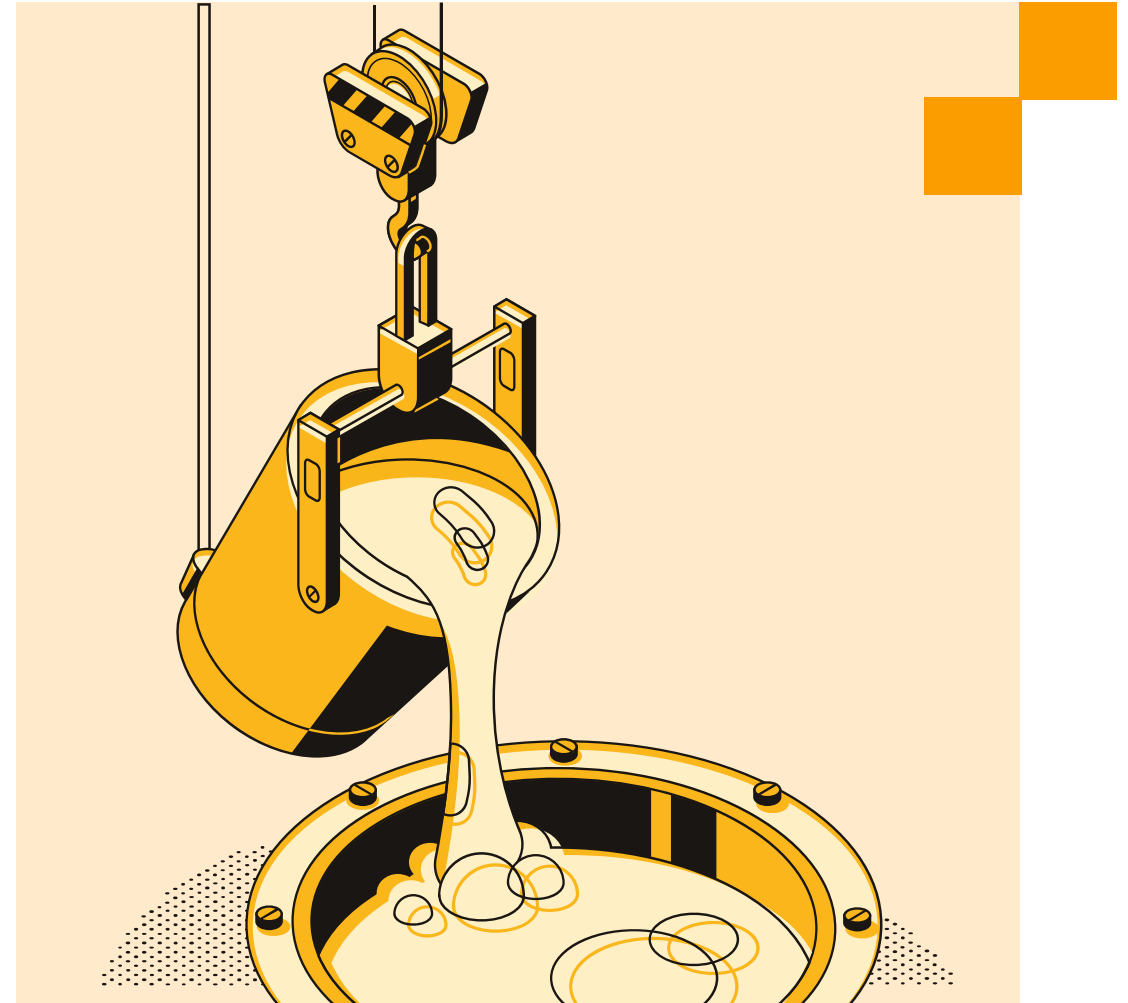
Marginally impacted due to low volumes, one off costs related to transformer failure and additional hiring in new and existing plants.

Key Developments & Outlook

PARTICULARS	CURRENT (Q3FY23)	OUTLOOK (FY23 & FY24)
Overall Performance	Decent quarter driven by strong demand from Commercial Vehicle and Exports; partially offset by seasonality in tractors.	Performance in Q4FY23 to be better than Q3FY23. Expect growth momentum to continue in FY24 with double-digit top line growth.
Tractors	Witnessed a large dip compared to last quarter due to normal seasonality in the industry.	Impact of seasonality to remain in Q4FY23 as well. With rural economy expected to get a boost due to elections, tractors are expected to report a good growth in FY24.
Medium & Heavy Commercial Vehicles	Strong performance during the quarter.	Growth momentum to continue in Q4FY23. Manufacturers are witnessing good demand. Segment to hit an all-time high in FY24.
Exports	Demand remains strong. New products are in final ramp up stage.	Expect new products to be fully ramped up by end of FY23. On track to achieve target of Rs. 300 Crores of revenues in FY23. Order book for CY23 remains strong as discussed with customers.
EBITDA/kg	Marginally impacted due to low volumes, one off costs related to transformer failure and additional hiring in new and existing plants.	Positive on achieving the target of Rs.12/kg in FY23.
Sales Volumes	Witnessed a strong volume growth on a YoY basis (21,513 Tonnes in Q3FY23 vs 17,571 Tonnes in Q3FY22).	On track to achieve 85,000 Metric Tons in FY23.

Company Overview

Company at a Glance	06
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Manufacturing Process & the Nelcast Advantage	08
Our Well-Equipped Plants	09
Our Journey	10



Company at a glance



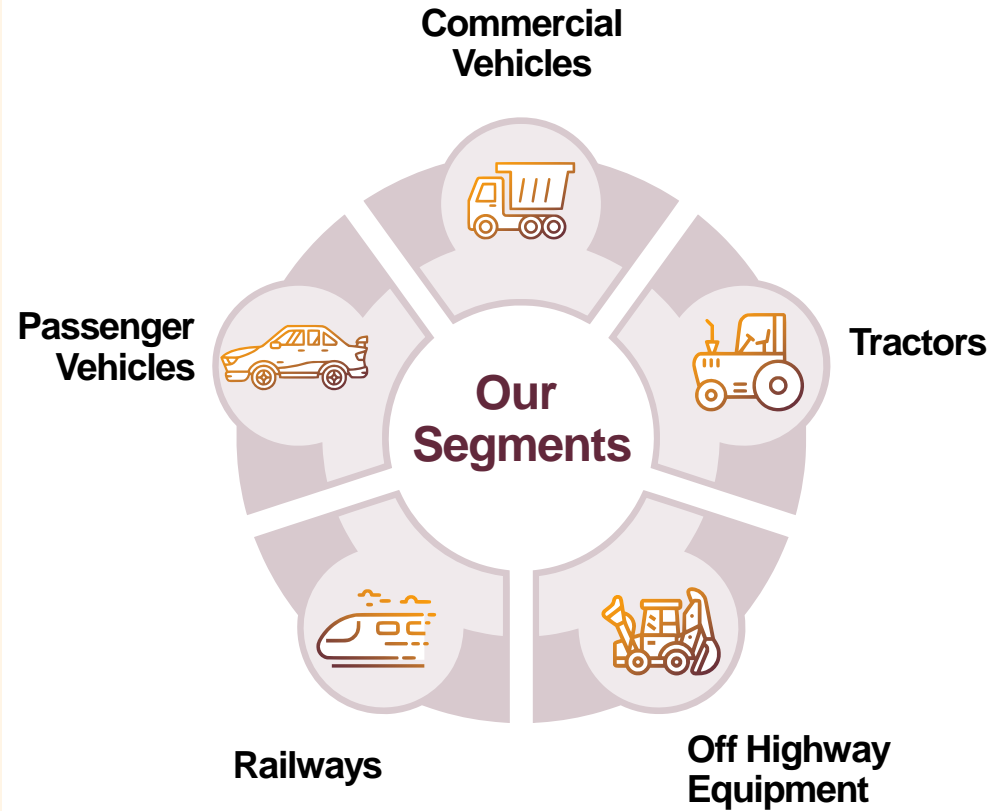
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



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

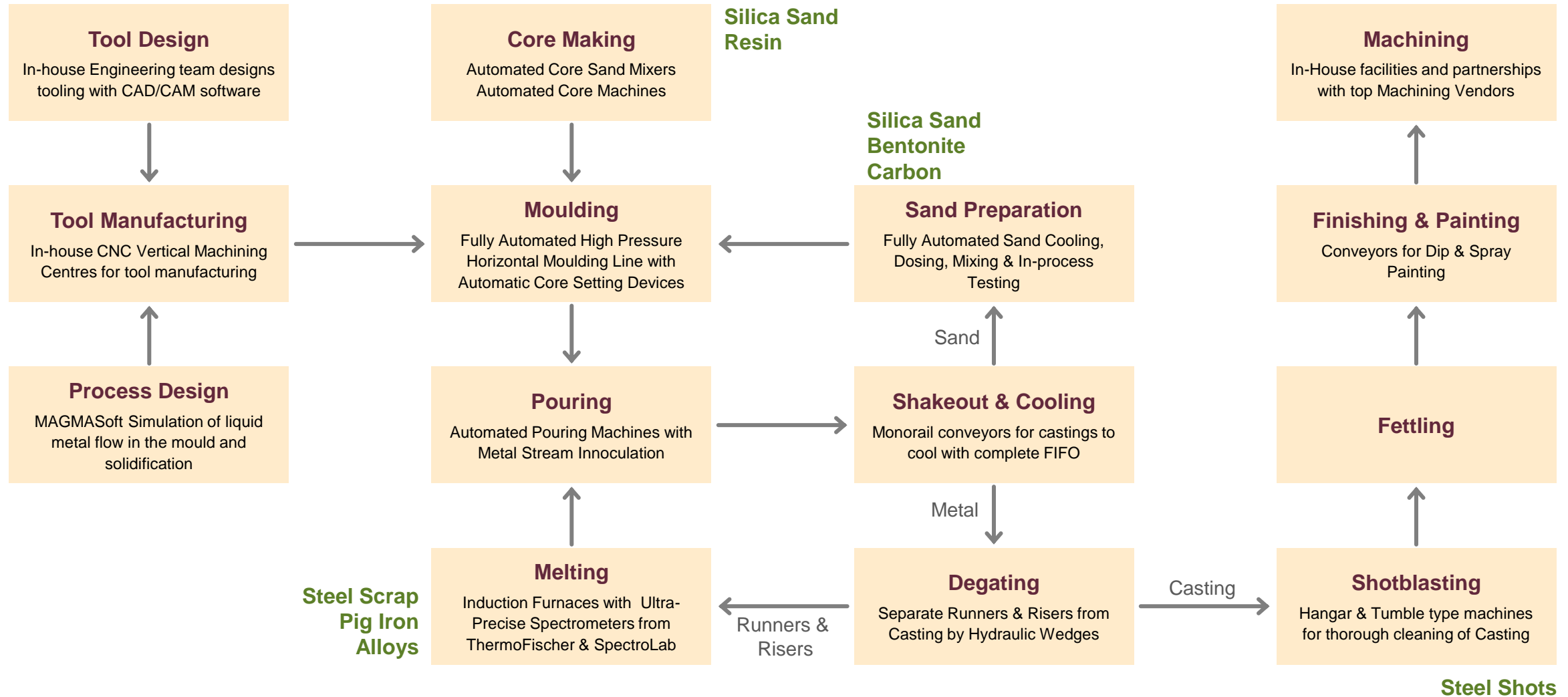


Differential Carrier



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.200 Crores mark in exports in FY22

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



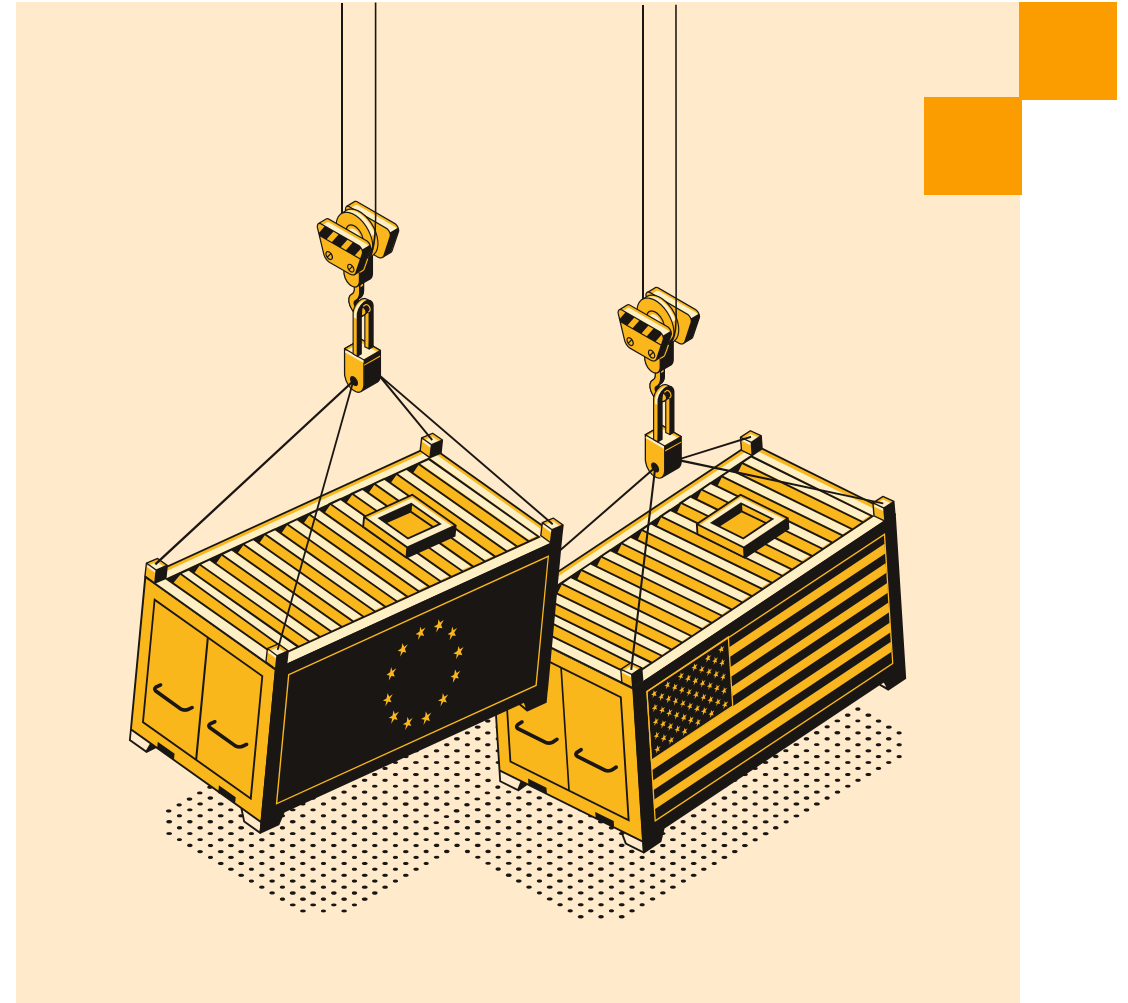
Awarded ISO 50001 Certification for Energy Management System



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

Why Nelcast?

Diversified customer base with strong relationships	13
Strategic Location	14
Strong Business Foundation	15
Strong Export Growth Potential	16
Large Market Opportunity	17
Led by an Experienced Board	18
Focused on a Sustainable Future	19



Our Strengths



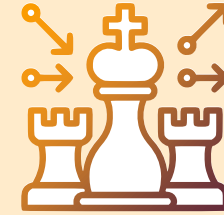
1

**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

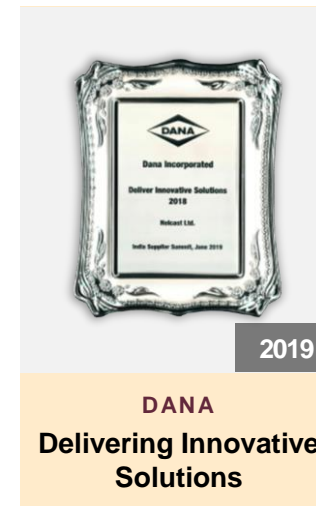
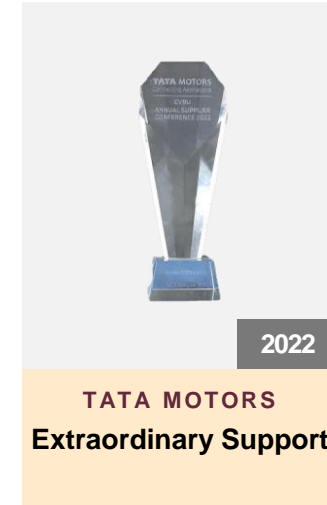
Top OEM Customers



Top Tier-1 Customers

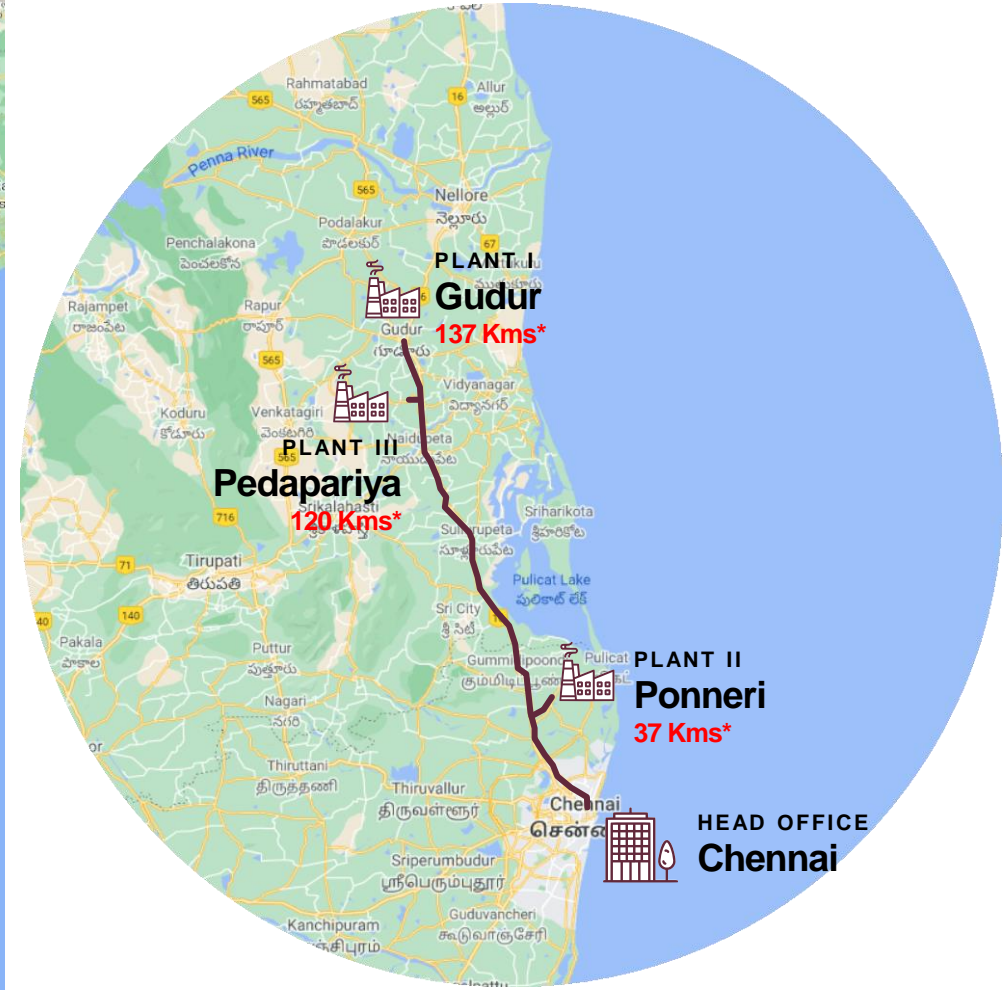
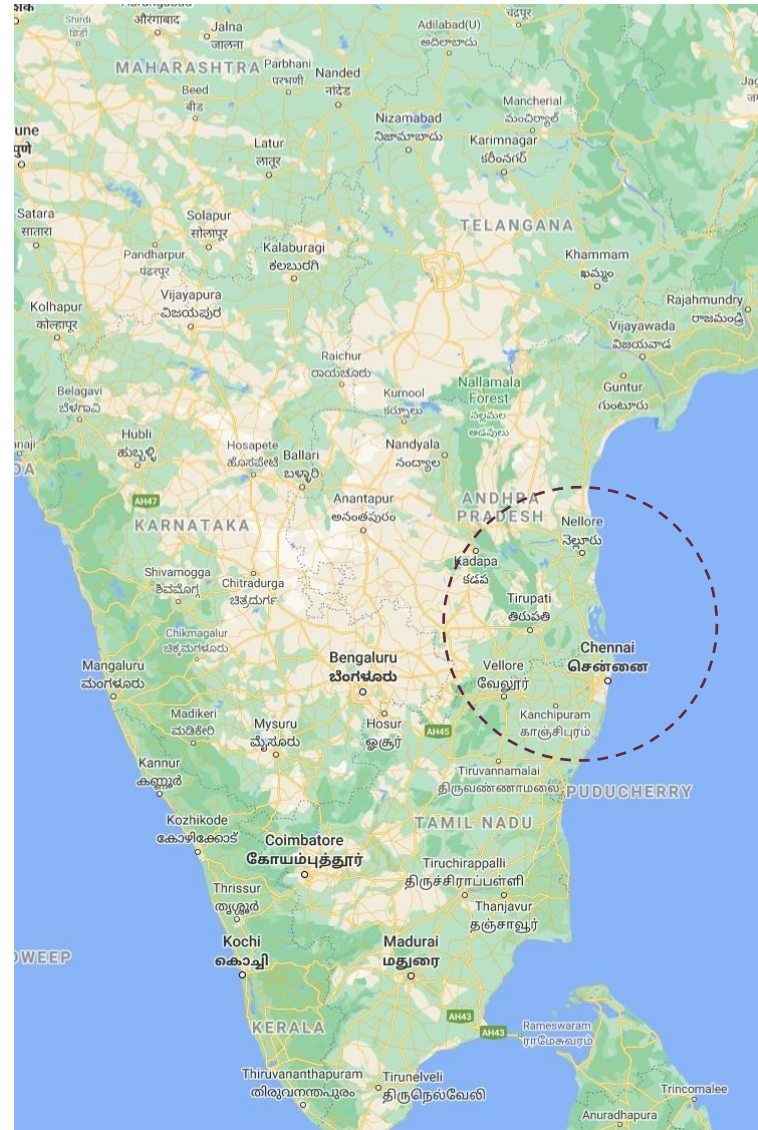


Awards



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

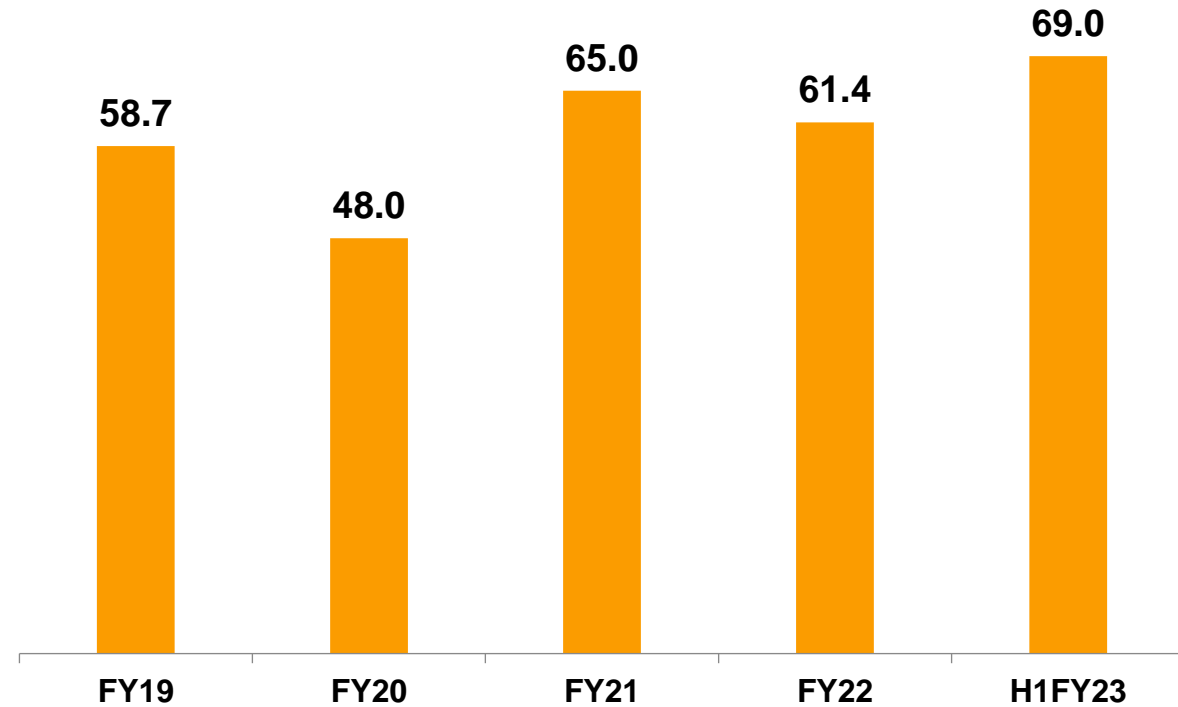


*Distance from Chennai

3 Strong Business Foundation

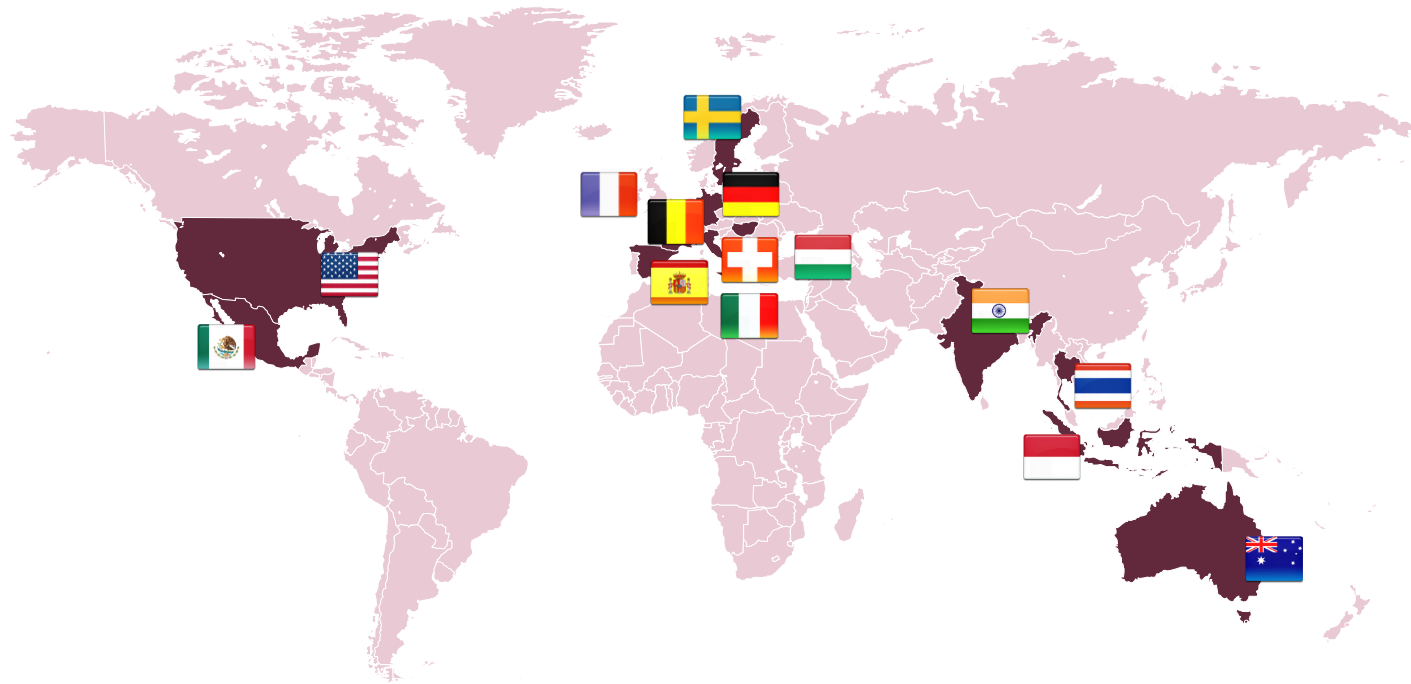
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within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

Cash & Cash equivalents (in Rs. Cr.)

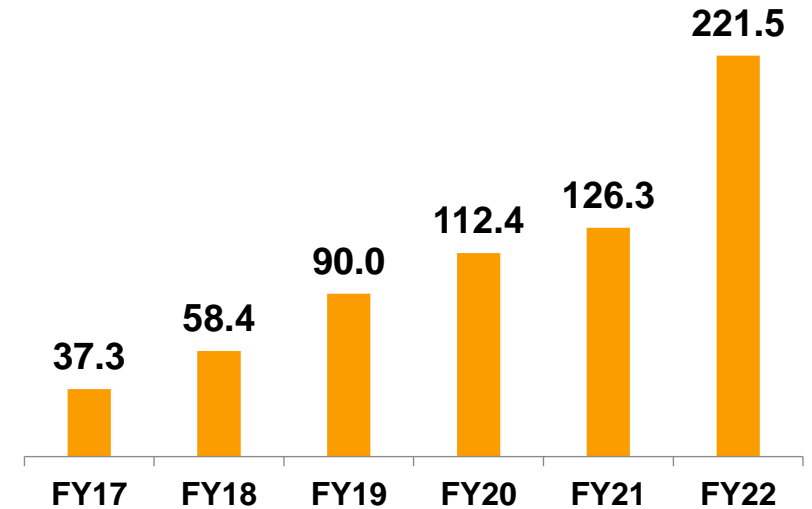


4 Strong Export Growth Potential

- 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.



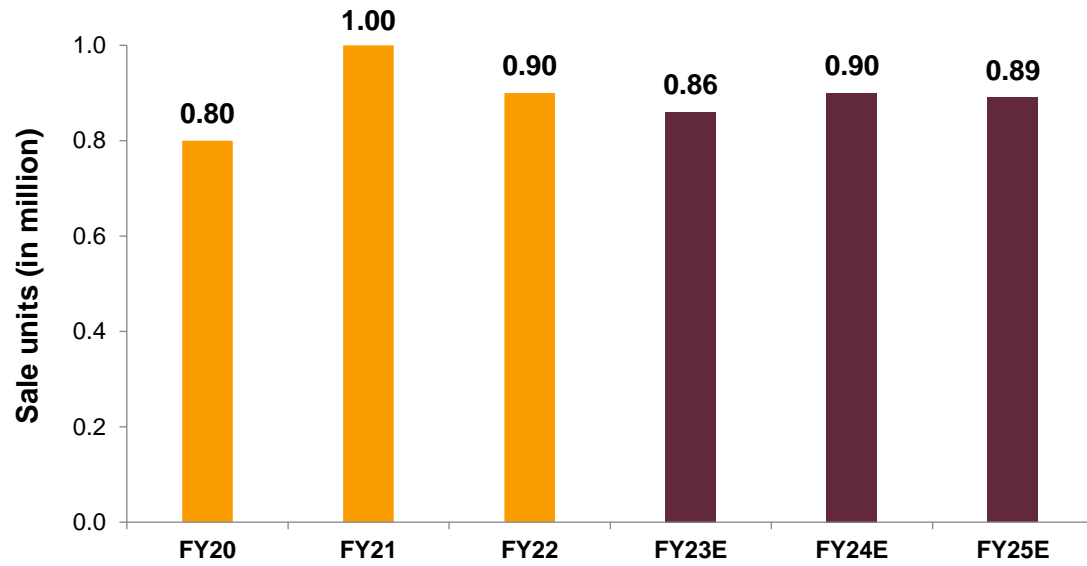
Revenue from Exports (in Rs. Cr.)



5 Large Market Opportunity

Indian Tractor Industry

Industry volumes touched all-time high in FY2021; expected to remain stable

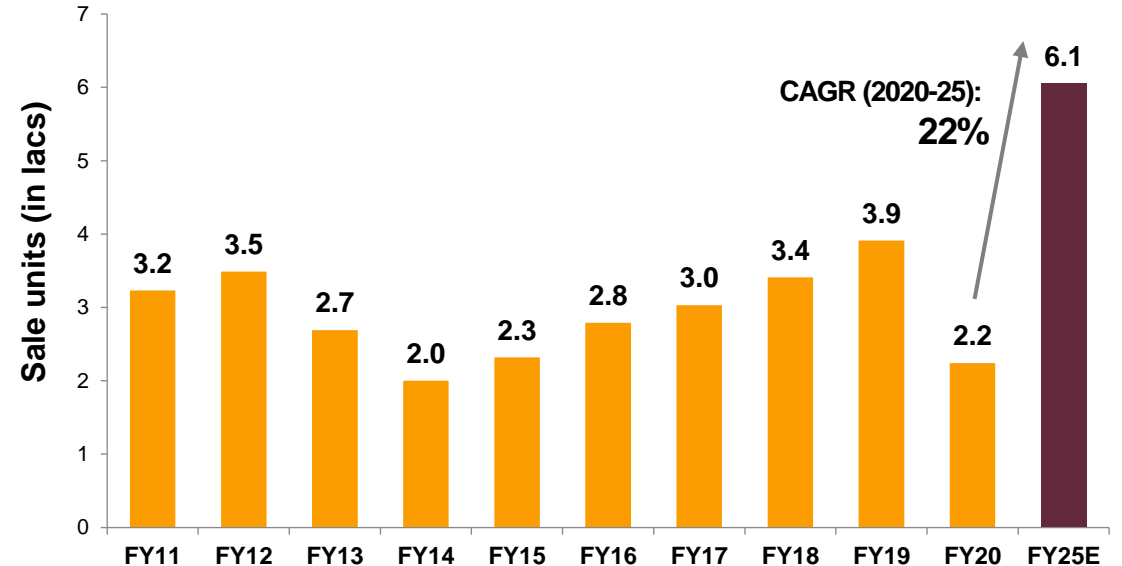


Source: EY, CMIE

The tractor demand declined in FY22 due to delayed harvests and stagnant rural wage growth. **Expect some recovery in tractor demand in FY23 on account of timely monsoons and conducive rural economies.**

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

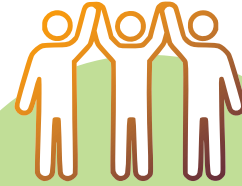
- **Renewable energy:**

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

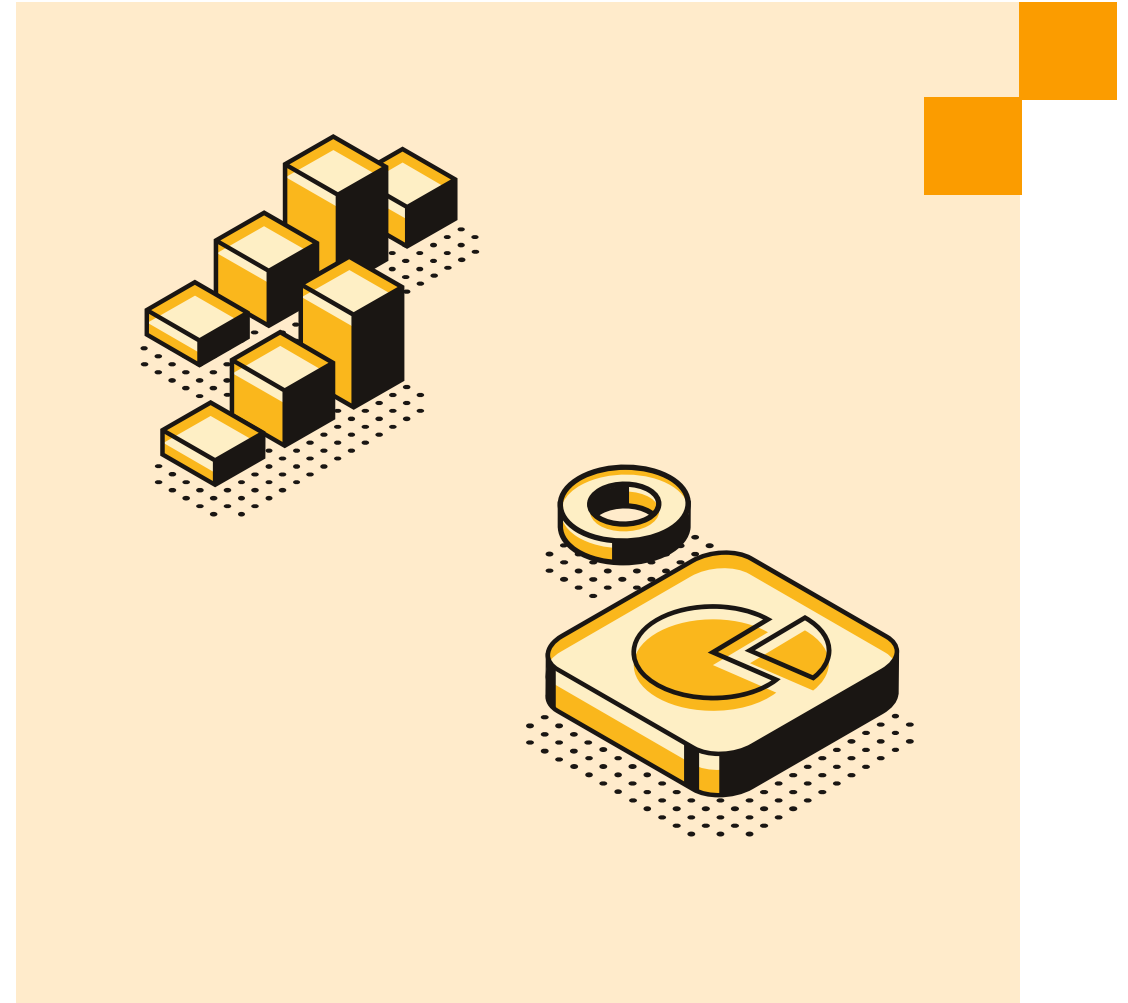
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



Annual Financials

Profit & Loss Highlights 21

Balance Sheet Highlights 22



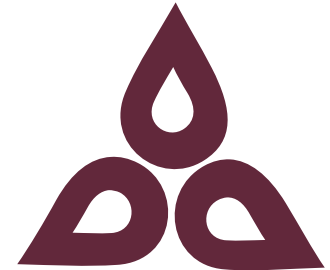
Profit & Loss Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22
Revenue from Operations	856.27	566.76	614.97	927.34
Total Income	862.21	580.35	619.85	936.74
Total Expenses	804.49	549.55	607.56	917.69
EBITDA	81.82	61.86	51.27	67.49
D&A	17.47	18.53	21.74	22.62
EBIT	64.35	43.33	29.53	44.87
Finance cost	6.63	12.52	17.24	25.82
PBT (after exceptional items)	57.72	30.81	12.29	19.05
Total Tax Expense	19.28	(5.20)	3.25	4.83
PAT	38.44	36.01	9.04	14.22

Balance Sheet Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	H1FY23
Total non-current assets	430.65	474.03	474.28	483.96	490.14
Inventories	141.59	128.14	118.41	158.73	183.04
Trade receivables	121.17	112.62	164.19	240.35	271.13
Cash & cash equivalents	58.65	48.0	65.04	61.39	69.02
Total current assets	351.14	304.52	365.45	479.07	543.31
Total assets	781.79	778.55	839.72	963.03	1033.45
Equity	397.86	422.89	432.80	444.39	461.25
Long-term Borrowings	90.88	141.01	107.47	137.42	119.53
Total non-current liabilities	137.80	174.50	144.50	178.36	162.31
Short-term Borrowings	108.92	84.11	107.23	142.12	189.07
Trade Payables	106.29	80.58	127.96	180.59	193.83
Total current liabilities	246.12	181.16	262.42	340.28	409.89
Total equity and liabilities	781.79	778.55	839.72	963.03	1033.45

NELCAST
LIMITED



Thank You

For further details please contact:

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