

May 17, 2023

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**

Dear Sir/ Madam,

**Sub: Earnings Presentation on Q4 & FY2023**

Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of the presentation on the financials for the quarter and financial year ended March 31, 2023.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Alicon Castalloy Limited**

**VEENA** Digitally signed  
by VEENA  
**VAIDYA**  
Date: 2023.05.17  
18:43:03 +05'30'

Veena Vaidya  
Company Secretary

Encl : as above

# Alicon Castalloy Ltd

Q4 & FY23 Results Presentation

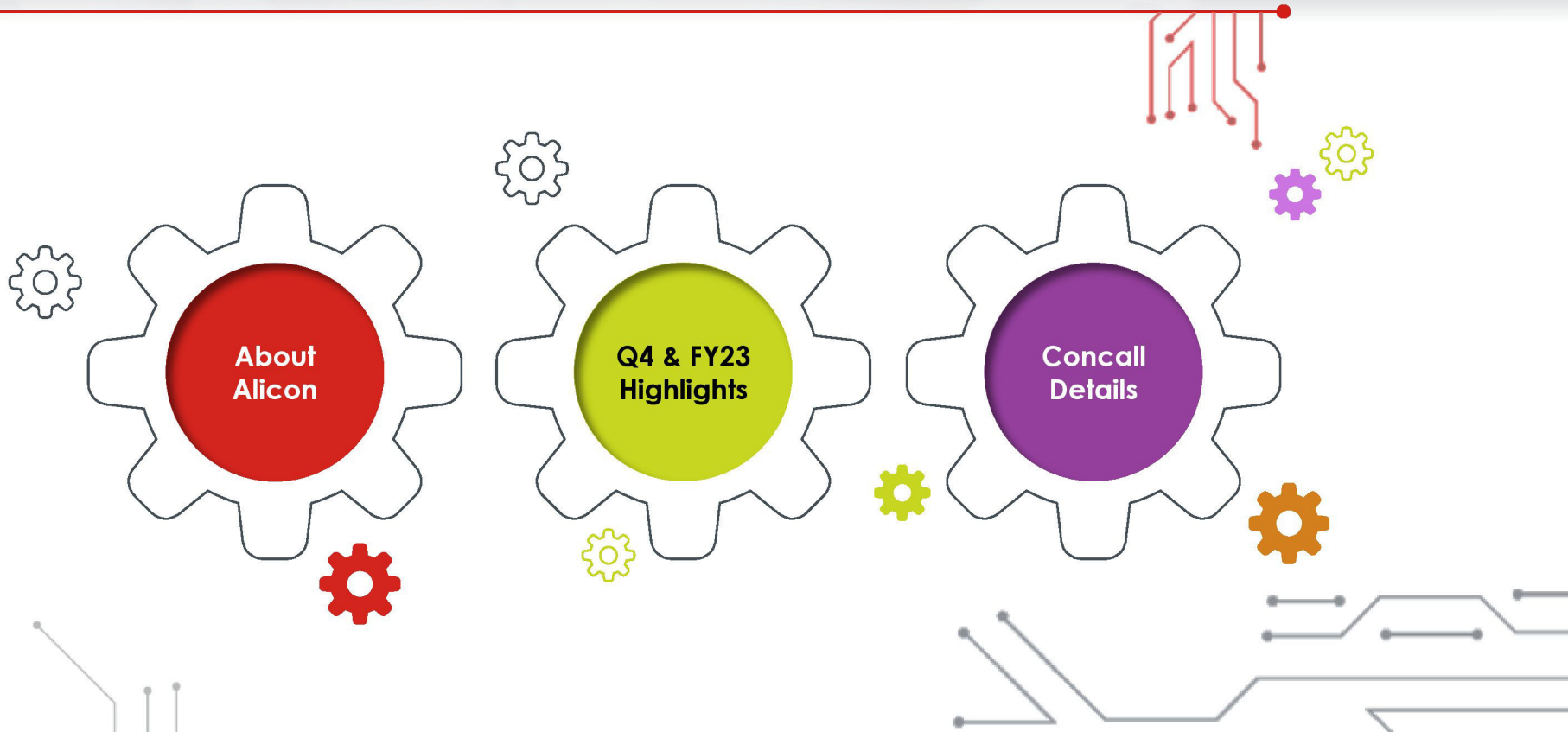
May 17, 2023

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



# Alicon Castalloy - At a Glance



**1,405**

INR crore of Total  
Income in FY23



**157**

INR crore of  
EBITDA in FY23



**93**

customers with..

**815**

Live Parts



**4**

Manufacturing  
Units



**133**

No. of product  
innovations FY20-23



**18**

Presence in  
countries

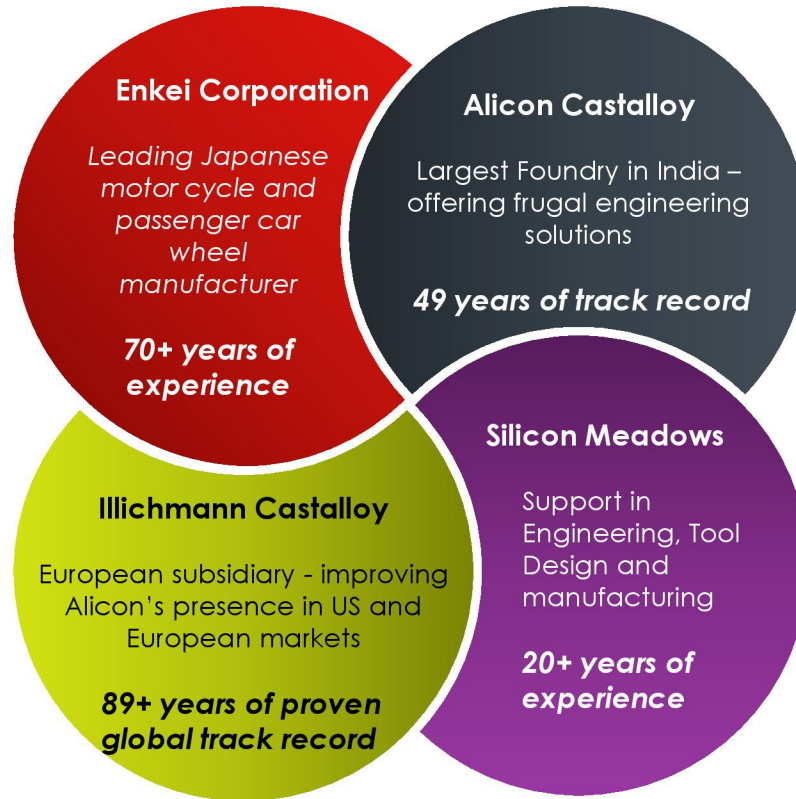


**1,014**

No. of permanent  
employees

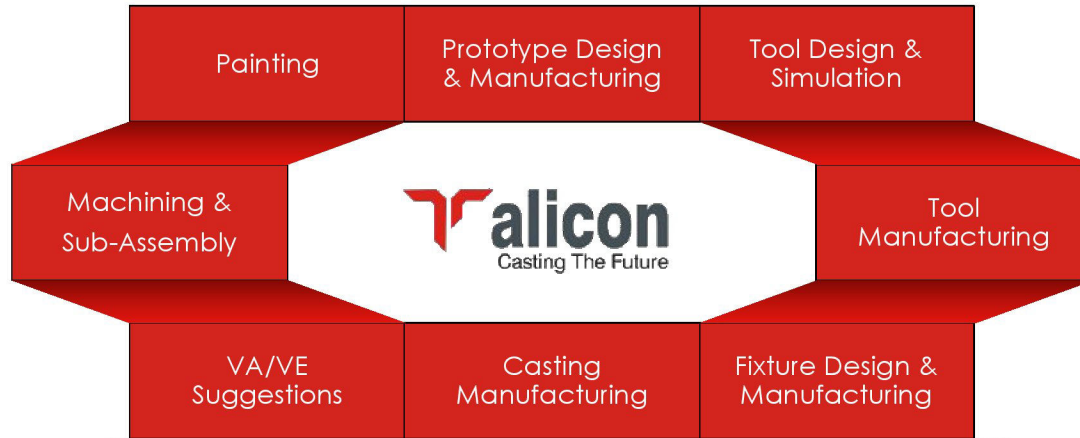
# Alicon Castalloy – Blending the best attributes

*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)

## Austria

International Marketing  
Office

## Slovakia

- \* Manufacturing Plant
- \* Tool Room
- \* Product Validation Lab

## Chinchwad, Pune Maharashtra, India

- \* Manufacturing Plant
- \* Tool Room
- \* Product Validation Lab
- \* Machine Shop

## Shikrapur, Pune Maharashtra, India

- \* Manufacturing Plant
- \* Technology Centre
- \* Product Validation Lab
- \* Machine Shop

## Binola, Haryana, India

- \* 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 dark red color, which serves as the background for the main title text.

# Q4 & FY2023 Operational & Financial Highlights

# Q4 & FY23: Overview of Operating Environment (1/2)

## Business & Macro-demand Highlights:

- In Q4FY23, domestic automobile market witnessed 0.6% growth on a yoy basis, driven by
  - 13% growth in PV segment on a yoy basis
  - 6.5% growth in CV segment on a yoy basis
  - 3% decline in 2W segment on a yoy basis
- PVs witnessed strong growth ahead of initial expectations due to normalization of economic activity and new launches by OEMs
- CVs witnessed continued growth on the back of sustained infrastructure spend and strong demand for buses due to school and office movement
- 2W industry's demand remained sluggish due to regulations pertaining to onboard diagnostics (OBD) causing OEMs to recalibrate their production schedules. This situation was further aggravated by unseasonal rainfall in various parts of the country impacting rural demand.
- Apart from Europe, international markets, including the USA, Japan, and South-east Asia, have experienced improved growth rates. Energy costs in Europe have started to ease, which could benefit the overall macro environment
- The ongoing challenge of constrained chip availability has begun to gradually ease, leading to better outlook for production by OEMs



# Q4 & FY23: Update on EV / Carbon Neutral Trends

## Key Highlights for the EV industry:

- Global EV Sales remained strong with a total of 10.5 million new BEVs and PHEVs delivered during CY2022, an increase of 55% compared to CY2021.
- Global light vehicle sales for CY2022 were 81 Million units, still 0.5% lower than CY2021 and 15% below pre-COVID levels. EV Sales (BEV + PHEV) represented 13% of overall light vehicle sales.
- In India, the transition is slower in the segment due to phasing out of subsidy and lack of products in the mass market segment
- In India, number of EVs sold increased from 3.2 lakh in CY2021 to around 10 lakh vehicles in CY2022, an increase of over 200%. While 1.8% of all vehicles sold in 2021 were EVs, in CY2022 that number increased to 4.7%
- Electric 2 wheeler (E2W) sales crossed 75,000 units for the first time in Oct 2022 at 75,294 and in Nov 2022 increased further to 76,148 units.
- Number of manufacturers has increased and there were over 30 pure EV manufacturers exhibiting products in Auto Expo 2023.

Source: Ministry of Road Transport and Highways – Vahan, [ev-vehicles.com](https://ev-vehicles.com)



# Q4 & FY23 - Operational Resilience

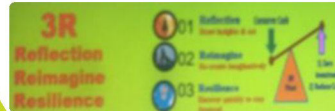
- Lower fixed expenses
- Lean and Agile manufacturing processes
- Focus on reducing overheads
- Program to reduce interest cost
- Plan to diversify energy mix

- Manufacturing facilities operated at utilization levels of around 65%
- After delay due to congestion and onset of Russia-Ukraine conflict, the overseas transit times for exports have begun to normalise. As a result, overseas customers are now witnessing build up of inventory and compressing their immediate term production schedules.

**Sustainable Cost-optimisation**

**New Business Wins:**

**Key Motto for FY 23: 3R**



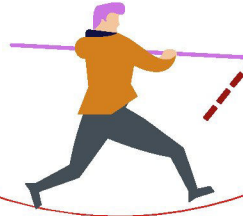
**Manufacturing processes**

**Future Ready**

- In Q4 FY23, the Company has booked 2 new parts from 2 existing customers
- This includes 2 part from PV and both parts pertain to the EV / Carbon Neutral segment
- 1 part is for international business and 1 parts are for domestic business
- Alicon, as an organization is Future Ready to tap opportunities arising from:
- Preference for Carbon Neutral tech such as hybrid, EV, fuel cells and hydrogen cells
- Staggered introduction of vehicle scrappage policy
- Thrust on higher fuel efficiency
- Cost-optimisation & light-weighting of products

# Alicon combating the 7Cs

Auto Industry is faced with seven key challenges impacting demand & consumer sentiments



## 1. COVID pandemic-related disruptions

- Demand slowdown and weak sentiments due to lockdowns, job losses, reduced household income impacted auto sales

## 3. Cost-based inflation

- Increase in costs of vehicle fuels, aluminium, elements, energy, logistic and other logistic costs resulted in higher production expenses. This, in addition to higher selling price of vehicles impacted demand

## 5. Conflict between Russia and Ukraine

- Production and sales stop in Russia in addition to shortages of RMs and subcomponents will impact Europe auto production

## 7. Recessionary Conditions in key Customer Markets

- Combination of high inflation, interest rate hikes by Central Banks and widespread news of layoffs is expected to impact GDP growth rate and consumer spend in key global markets

## 2. Chip (semiconductor) shortages

- Chip shortages due to lockdowns impacted production across OEMs, resulting in loss in sales volumes and loss in customer schedules

## 4. Cost of new product development

- Increase NPD cycle due to complex parts led by EV evolution. Also, more trials required for reaching normal efficiency and rejection levels

## 6. Supply Chain Crisis in Global Auto Industry

- Constraints in container availability and congestion at ports led to extended transit times. Customers are shifting to larger inventory days in response.

Alicon combated these 7Cs through:

Focus on enriched product mix and driving improved volumes of higher margin products

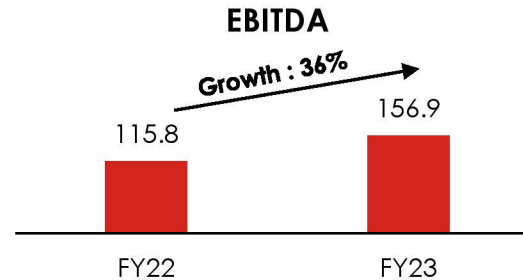
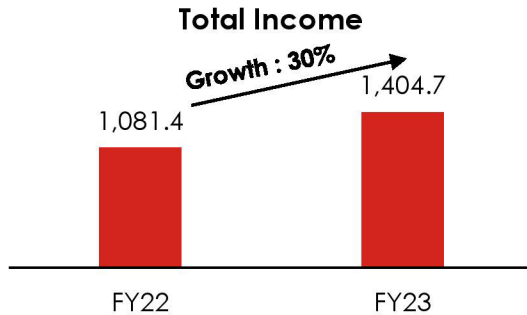
Collaboratively working with customers to undertake price hikes

Sustained cost reduction initiatives using Kaizen principles that enabled cost reduction at a micro-level across operations

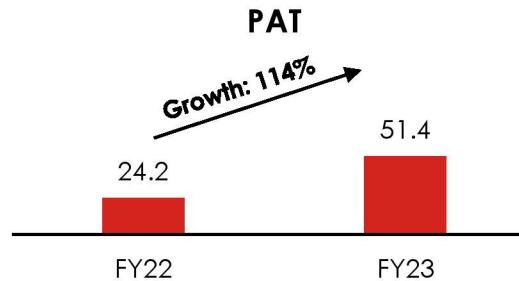
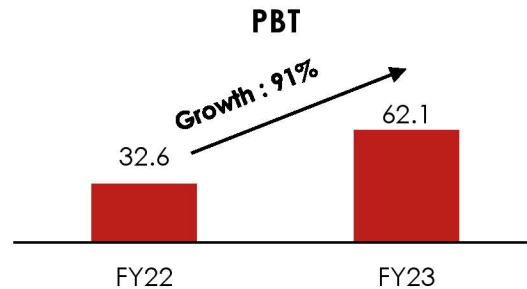
Driving higher operational efficiencies across business model



# FY23 Highlights – Consolidated



EBITDA %	10.7%	11.2%

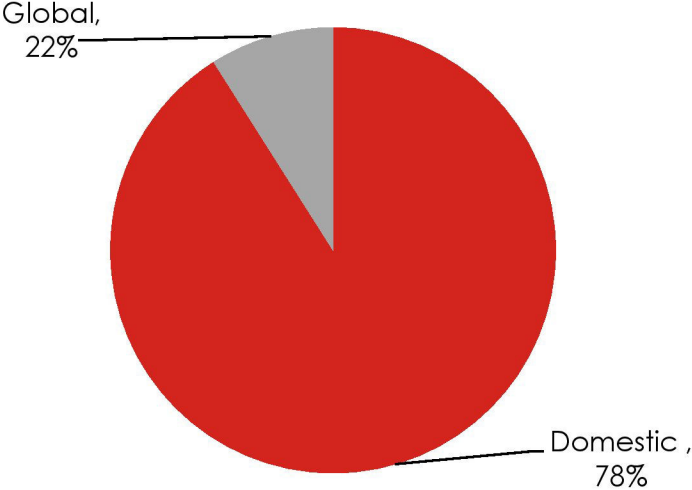
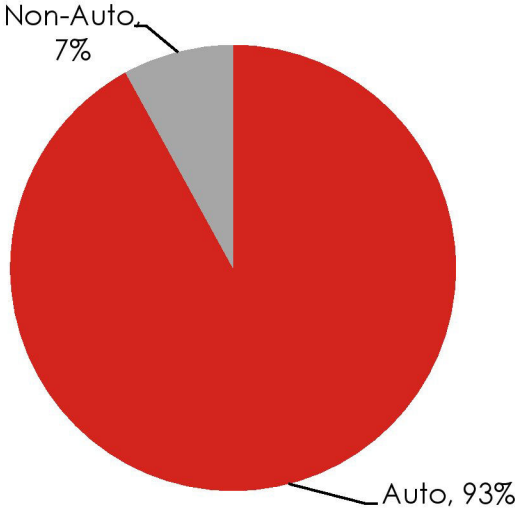


PAT %	2.2%	3.7%

- Alicon outperformed the industry with robust revenue growth of 30% YoY in FY23
- Revenue growth has been driven by higher volumes on a y-o-y basis and start of production on new business. This has been supported by improved contribution from international subsidiary – Illichman
- Gross profit of Rs. 689.68 crore, with margin at 49.2% in FY23 compared to 49.4% in FY22. Improved revenue mix and value engineering have led to stable gross margin despite sharp rise in input prices on a YoY basis
- Reported an improved EBITDA margin of 11.2% in FY23, higher by 46 basis points YoY. New parts added with higher value addition have contributed to structurally improved EBITDA margin
- Reported sharp growth in PBT and PAT on a YoY basis

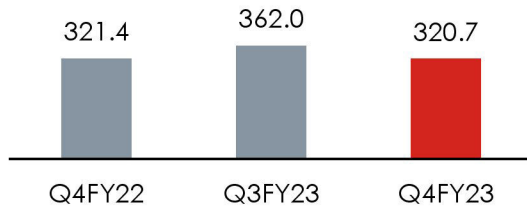
Figures in Rs. Crore

# Revenue Mix – FY23

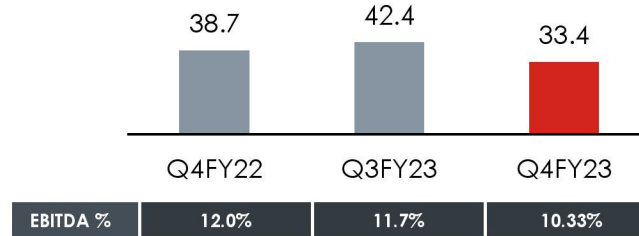


# Q4 FY23 Highlights – Consolidated

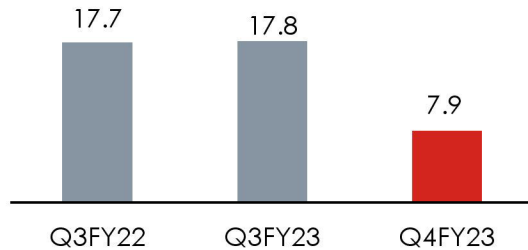
## Total Income



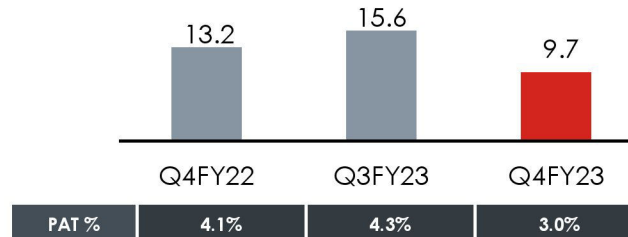
## EBITDA



## PBT



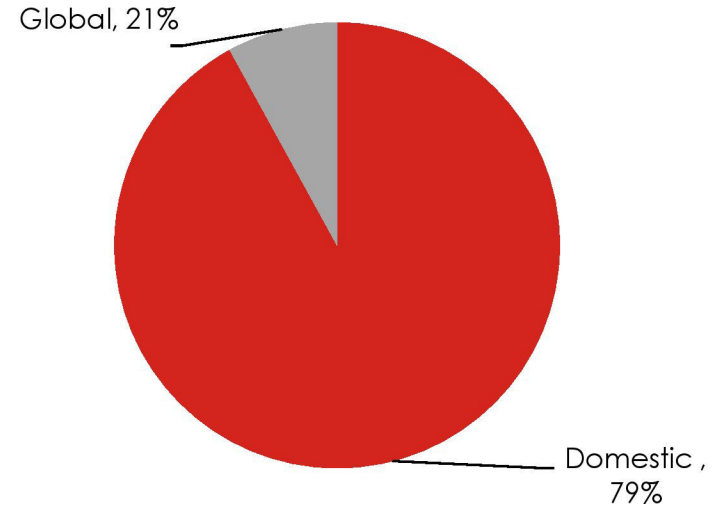
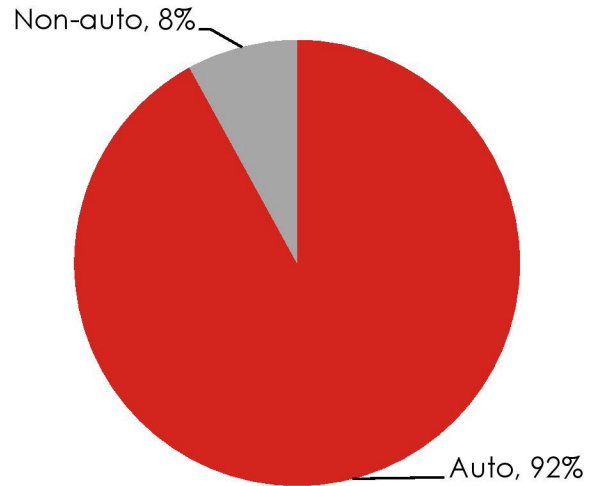
## PAT



- In Q4, Alicon delivered stable revenues on a yoy basis and de-growth of 11% on a qoq basis. Revenue and volume during the quarter was impacted by dip in 2W volumes due to scaled down production schedules by OEMs to incorporate upgrades in products as stipulated by regulations.
- Gross profit was Rs. 164.75 crore, with the gross margin at 51.6%. Gross Margin has improved both on yoy basis as well as qoq basis due to richer product mix and softening input prices.
- Operating de-leverage has impacted EBITDA. However, EBITDA margin was resilient at 10.3%, lower by 171 Bps yoy.
- Higher other income and lower tax outgo has limited the impact on PAT, which was Rs. 9.7 crore in Q4, lower by 27% on a YoY basis

Figures in Rs. Crore

# Revenue Mix – Q4FY23



# Abridged P&L – Consolidated

Particulars (Rs. crore)	Q4 FY23	Q4 FY22	Y-o-Y Shift	FY23	FY22	Y-o-Y Shift
Net Revenue from Operations	319.25	320.56	0%	1,401.16	1,078.05	30%
Other Income	1.42	0.81	76%	3.50	3.32	6%
<b>Total Income</b>	<b>320.67</b>	<b>321.37</b>	<b>0%</b>	<b>1,404.65</b>	<b>1,081.37</b>	<b>30%</b>
<b>Total Expenditure</b>	<b>287.53</b>	<b>282.65</b>	<b>2%</b>	<b>1,247.75</b>	<b>965.57</b>	<b>29%</b>
Raw Material expenses	154.50	158.91	-3%	711.88	545.48	31%
Employee benefits expense	40.06	40.63	-1%	164.90	138.10	19%
Other expenses	92.97	83.11	12%	370.98	282.00	32%
<b>EBITDA</b>	<b>33.14</b>	<b>38.72</b>	<b>-14%</b>	<b>156.91</b>	<b>115.79</b>	<b>36%</b>
<b>EBITDA margin (%)</b>	<b>10.33%</b>	<b>12.05%</b>	<b>-171 Bps</b>	<b>11.17%</b>	<b>10.71%</b>	<b>+46 Bps</b>
Finance Costs	8.56	7.14	20%	31.24	30.12	4%
Depreciation and Amortization	16.69	13.87	20%	63.56	53.09	20%
<b>PBT</b>	<b>7.89</b>	<b>17.70</b>	<b>-55%</b>	<b>62.12</b>	<b>32.58</b>	<b>91%</b>
Tax Expenses	(1.81)	4.49	-140%	10.69	8.40	27%
<b>PAT</b>	<b>9.70</b>	<b>13.21</b>	<b>-27%</b>	<b>51.42</b>	<b>24.18</b>	<b>113%</b>
<b>PAT Margin (%)</b>	<b>3.03%</b>	<b>4.10%</b>	<b>-107 Bps</b>	<b>3.66%</b>	<b>2.24%</b>	<b>+142 Bps</b>

# Abridged Balance Sheet – Consolidated

Liabilities (Rs. Crore)	As on March 31, 2023	As on March 31, 2022	Assets (Rs. Crore)	As on March 31, 2023	As on March 31, 2022
<b>a) Shareholders' Funds</b>	<b>487.85</b>	<b>449.07</b>	<b>a) Non-current Assets</b>	<b>459.13</b>	<b>441.98</b>
<b>b) Non-current Liabilities (NCL)</b>	<b>134.20</b>	<b>152.15</b>	<b>a) Current Assets</b>	<b>628.43</b>	<b>560.38</b>
- Long-term Borrowings	108.56	114.90	- Inventories	152.83	131.00
- Other NCL	25.64	37.25	- Trade Receivables	440.33	396.33
<b>c) Current Liabilities (CL)</b>	<b>465.52</b>	<b>401.14</b>	- Cash & Bank balance	11.95	15.52
- Short-term Borrowings	192.30	146.17	- Others	23.33	17.53
- Trade Payables	219.82	211.73	<b>Total</b>	<b>1,087.56</b>	<b>1,002.36</b>
- Other CL	53.39	43.24			
<b>Total</b>	<b>1,087.56</b>	<b>1,002.36</b>			

# Management Message

---

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

*"We are pleased to end fiscal year 22-23 with a consolidated total income of Rs. 1,405 crore, representing 30% growth on a year-on-year basis. Our transformation initiatives, firmly rooted in our comprehensive 5-pillar strategy, consistently reinforce our position as the preferred partner for both domestic and global customers.*

*Profit after tax for financial year 22-23 was Rs. 52 crore, higher by 114% on a year-on-year basis. This growth in profitability is attributed to higher volumes, driven by new parts and customers, as well as increased value addition and cost optimization measures. The Board has recommended an interim dividend of Rs. 2.5 per share in view of the performance.*

*We have exerted substantial efforts to revamp our business model, positioning ourselves as an agile and diversified entity that capitalizes on our inherent strengths of design excellence, value engineering and consistent execution. Our global teams have actively fostered deeper customer engagements harnessing these capabilities leading to an improving track record and enhanced order wins.*

*FY23 was a year of consolidation after experiencing significant macro-economic challenges for the last 3 financial years. We believe that we have reclaimed our pre-pandemic base and will look to resume our longer term growth trajectory in FY24 on the back of a cautiously optimistic outlook."*



# Concall Details



# Conference Call Details

---

## Alicon Castalloy's Q4 & FY23 Earnings Conference Call

---

**Time & Date**

- 12:00 PM IST on Thursday, May 18, 2023
- 

**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:

**Gaurav Agrawal**

**Alicon Castalloy Ltd**

Tel: +91 95119 11290

E-mail: [gaurav.agrawal@alicongroup.co.in](mailto:gaurav.agrawal@alicongroup.co.in)

---

**Mayank Vaswani / Mit Shah**

**CDR, India**

Tel: +91 22 98209 40953 / 99201 68314

Email: [mayank@cdr-india.com](mailto:mayank@cdr-india.com)

[mit@cdr-india.com](mailto:mit@cdr-india.com)



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