

Ref No.: Alicon/Stock Exch/Letter/2024-13

February 10, 2024

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 Q3 & 9M FY2024

Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of the results release and presentation on the financials for the quarter and nine months ended December 31, 2023.

Request you to please take the same on record.

Thanking You,

Yours faithfully,

For Alicon Castalloy Ltd

Amruta Joshi
Company Secretary



Alicon Castalloy Ltd

Gate No. 1426, Shikrapur, Tal. Shirur, District Pune - 412208. Maharashtra, INDIA

Alicon Castalloy announces Q3 & 9M FY24 Earnings

Reports highest ever quarterly revenue in Q3FY24

Q3FY24 Total Income at Rs. 405.75 crore, higher by 12% YoY

EBITDA at Rs. 52.97 crore, higher by 25% YoY

EBITDA Margin improves 136 bps YoY to 13.1% in Q3FY24

Pune, February 10, 2024: Alicon Castalloy Ltd (Alicon), one of the leading integrated manufacturers of aluminum castings in India, announced its financial results for the third quarter and nine months ended December 31, 2023.

Financial Performance Highlights

Performance Review for Q3FY24 vs. Q3FY23

- Total Income at Rs. 405.75 crore compared to Rs. 362.03 crore, higher by 12%
- EBITDA at Rs. 52.97 crore compared to Rs. 42.35 crore, an increase of 25%
- PBT at Rs. 22.62 crore as compared to Rs. 17.81 crore, higher by 27%
- Profit after Tax at Rs. 16.74 crore compared to Rs. 15.61 crore, higher by 7%

Performance Review for Q3FY24 vs. Q2FY24

- Total Income at Rs. 405.75 crore compared to Rs. 381.79 crore, higher by 6%
- EBITDA at Rs. 52.97 crore compared to Rs. 47.03 crore, an increase of 13%
- PBT at Rs. 22.62 crore as compared to Rs. 18.69 crore, higher by 21%
- Profit after Tax at Rs. 16.74 crore compared to Rs. 14.51 crore, higher by 15%

Performance Review for 9M FY24 vs. 9M FY23

- Total Income at Rs. 1,142.4 crore compared to Rs. 1,083.98 crore, higher by 5% YoY
- EBITDA at Rs. 140.03 crore compared to Rs. 123.77 crore, an increase of 13% YoY
- PBT at Rs. 53.51 crore as compared to Rs. 54.22 crore, lower by 1% YoY
- Profit after Tax at Rs. 40.74 crore compared to Rs. 41.72 crore, lower by 2% YoY

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

"I am delighted to share that Q3 revenue of Rs. 405 crore is the highest ever quarterly revenue in the history of Alicon. In recent years, we have invested significant effort towards elevating our business offerings by focusing on products with higher share of value addition, enhancing customer profile, driving greater element of design differentiation while leveraging on technical competencies, Research & Development and material excellence which is reflected in our performance.

The growth in revenues has been accompanied by improved profitability. EBITDA of Rs. 53 crore has increased by 25% on a year-on-year basis outpacing revenue growth. We reported an EBITDA margin of 13.1% in Q3FY24 higher by 140 basis points on a year-on-year basis and by 80 basis points on a Q-o-Q basis. The improved trajectory of EBITDA margin, despite the increased manpower costs and overheads, indicates the success of strategic initiatives such as focus on value engineering, refined product mix and cost optimization efforts.

The auto industry is undergoing transformative change. Even as emerging and new technologies are gaining traction, the existing technologies are becoming more competitive. Our business is adaptable, allowing us to provide various components needed for these different technologies. We're focusing on opportunities that allow us to leverage on ingrained capabilities and competencies providing us a stronger chance of success. Simultaneously, we are diversifying our business and aiming for greater wallet share by pursuing opportunities across a variety of markets, customers, fuel technology and vehicle categories. We believe we are well positioned to deliver sustained growth to stakeholders."

-ENDS-

About Alicon Castalloy Ltd

Alicon Castalloy Limited (Alicon) [BSE: 531147, NSE: ALICON] is one of India's largest integrated manufacturers of aluminum castings. Headquartered at Pune, the Company amalgamates the best of European Engineering, Japanese Quality and Indian Ingenuity & frugality to serve a diversified marquee customer base across sectors such as automobiles, infrastructure, aerospace, energy, agriculture, defence and healthcare. It operates one of the largest aluminum foundries in India and has developed a robust and innovative product pipeline, spanning 16 segments. Alicon enjoys a global presence encompassing facilities at Shikrapur, Chinchwad, Binola in India, and Slovakia in Europe.

For more information about us, please visit www.alicongroup.co.in or contact:

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Mayank Vaswani / Mit Shah

CDR India

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DISCLAIMER:

Certain statements that may be made or discussed at the conference call may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Alicon Castalloy will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Alicon Castalloy Ltd

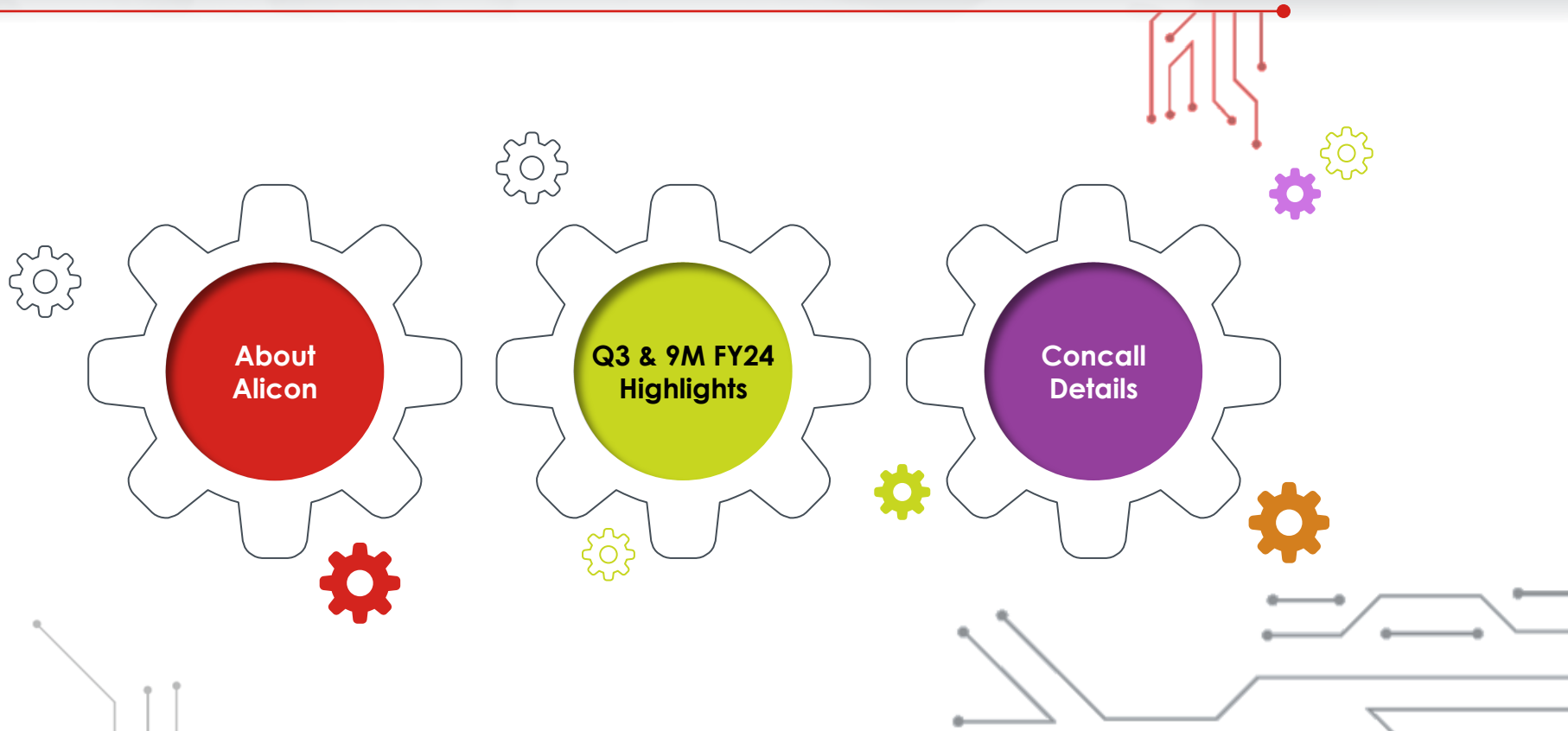
Q3 & 9M FY24 Results Presentation

February 10, 2024

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



96

customers with..

854

Live Parts



4

Manufacturing
Units



133

No. of product
innovations FY20-23



18

Customers in
countries



963

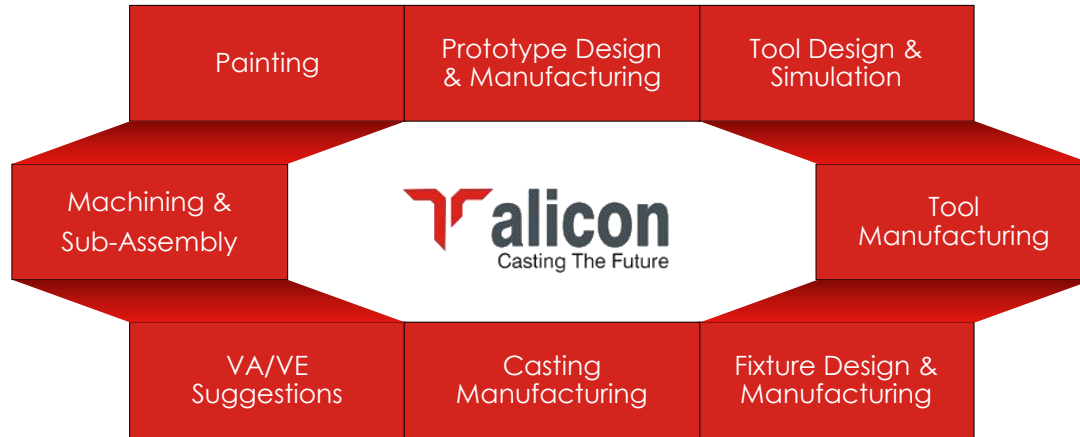
No. of permanent
employees

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 features a large red shape on the left side that tapers to a point on the right. On the right side, there is a white area with a grey circuit board pattern of lines and dots. A dark grey triangle is located in the bottom right corner.

Q3 & 9M FY2024 Operational & Financial Highlights

Q3 FY24: Overview of Operating Environment (1/2)

Business & Macro-demand Highlights:

- In Q3 FY24, Auto dispatches showed an improved performance, especially the 2W segment, which saw a healthy double-digit YoY growth.
 - 5% growth in PV segment on a yoy basis
 - 6% growth in CV segment on a yoy basis
 - 19% growth in 2W segment on a yoy basis
- There were discounts offered to drive year-end retail sales, and dealers preferred to clear the high levels of channel inventory which impacted the flow into PV wholesales.
 - Discounts have now normalized from the highs of December. SUV share continues to rise, while the recovery of small car sales is not yet apparent, affecting the growth outlook for F25.
- Positive trends in both retail and wholesale during the quarter boosted confidence about the cyclical recovery.
 - Exports across OEMs were weak in Q3 FY24, attributed to soft demand and container shortages.
- In Q3 FY2023, retail CV volume experienced a 6% YoY increase due to elevated freight rates and tonnage growth.
 - Anticipating a continued upcycle in the CV sector, demand is expected to persist over the next few years, supported by strong freight demand and high truck fleet utilization



Q3 & 9M FY24 - 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 70-71%
- 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 FY23-24: 3R



Manufacturing processes

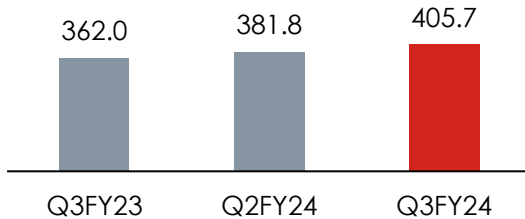
Future Ready

- In Q3 FY24, the Company has booked 13 new parts from 4 customers
- This includes 2 parts from EV/CN and 11 parts from ICE
- All 13 parts are for global business

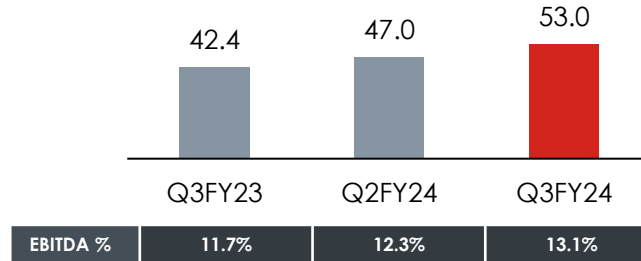
- Alicon, as an organization is Future Ready to tap opportunities arising from:
- Preference for Carbon Neutral tech such as hybrid, EV, fuel cells and hydrogen cells
- Staggered introduction of vehicle scrappage policy
- Thrust on higher fuel efficiency
- Cost-optimisation & light-weighting of products

Q3 FY24 Highlights – Consolidated

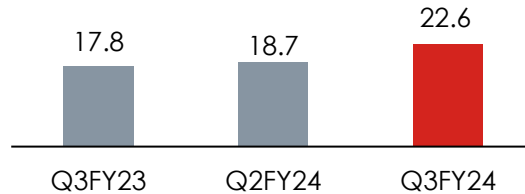
Total Income



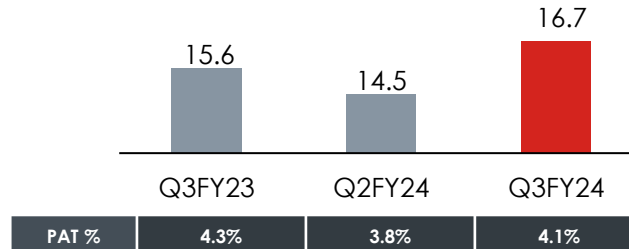
EBITDA



PBT



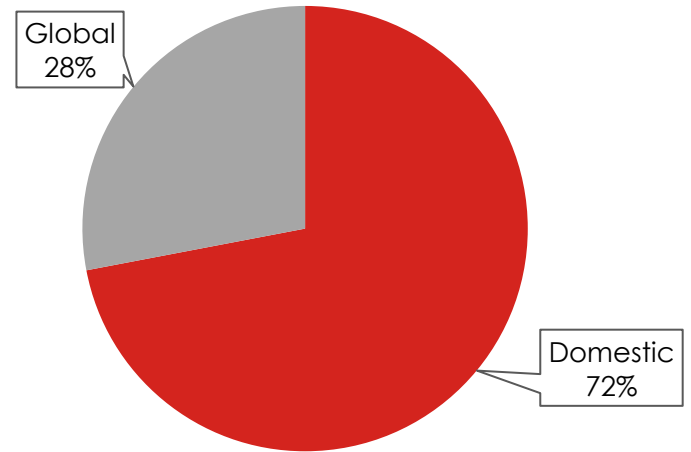
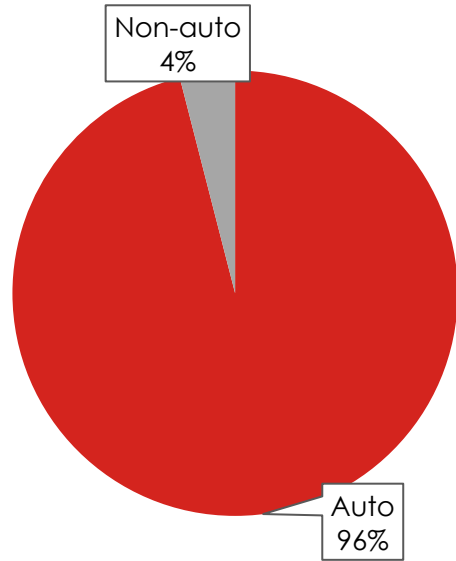
PAT



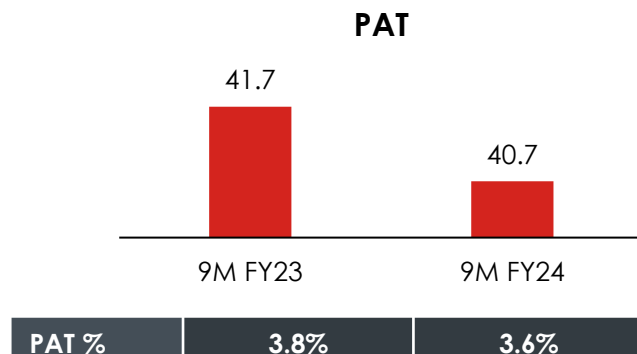
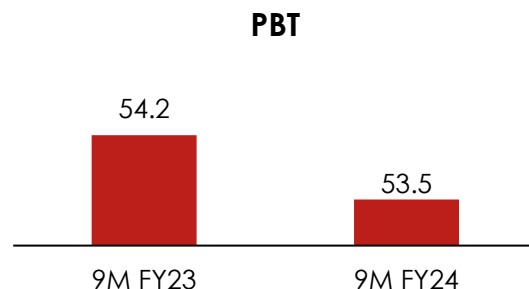
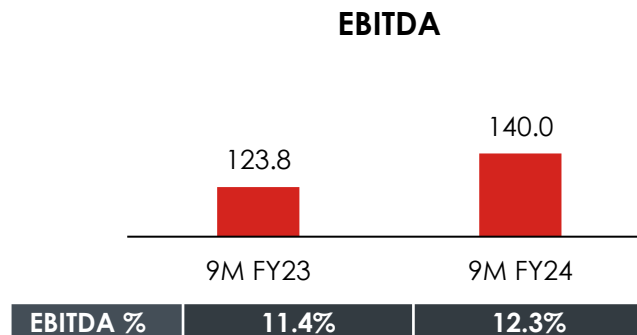
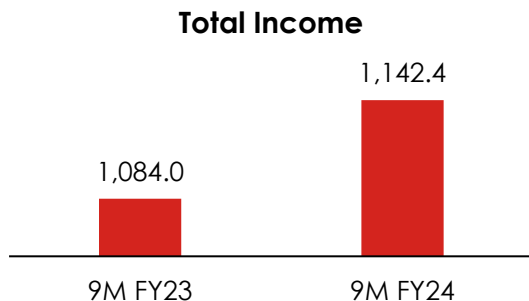
- In Q3, Alicon delivered Growth in Total Income of 12% on a yoy basis and of 6% on a qoq basis. Revenues of Rs. 405 crore in Q3 represent the **highest ever quarterly revenues** in the history of the Company.
- Gross profit was Rs. 207.52 crore, with the gross margin at 51.24%. **Gross Margin has improved by 198 Bps on a yoy basis** due to richer product mix and softening input prices.
- EBITDA of Rs. 52.97 crore, was higher by 25% on a yoy basis and 13% on a qoq basis, **The EBITDA margin has improved to 13.1%**. This is after accounting for non-cash charge of Rs. 3.66 crore on account of ESOP Scheme, adjusting for which EBITDA margin would be 14%.
- Profit after tax of Rs. 16.7 crore in Q3 was higher by 7% YoY. **On a QoQ basis, PAT was higher by 15%**.

Figures in Rs. Crore

Revenue Mix – Q3 FY24



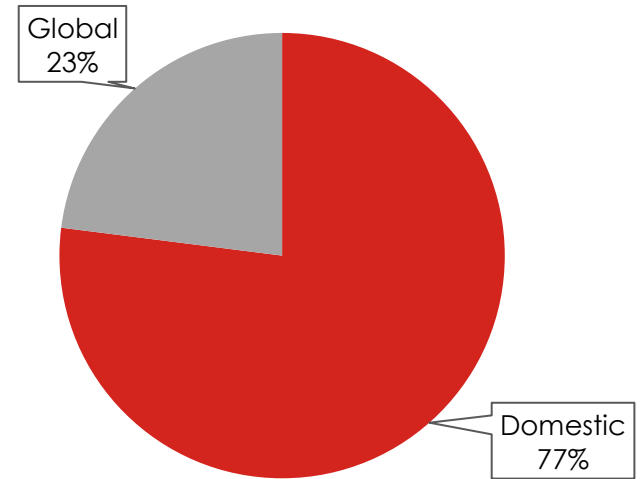
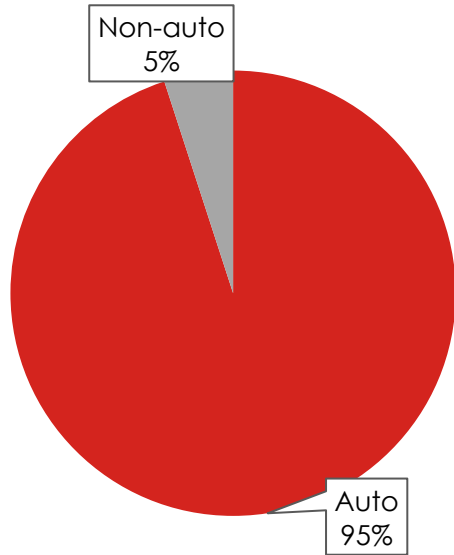
9M FY24 Highlights – Consolidated



- Alicon has reported an increase in Total Income **by 5% YoY in 9M FY24**. This has been achieved by addition of new parts as well as new logos with strong traction witnessed in global business.
- Gross profit of Rs. 576.83 crore, **higher by 10% YoY**. Gross margin improves **211 basis points** to 50.6% due to higher value add in product mix.
- EBITDA **rises 13% YoY** to Rs. 140.03 crore. Reported an EBITDA margin of 12.3% in 9M FY24, higher **by 84 basis points YoY** after absorbing Rs. 10.7 crore on account of ESOP Scheme Cost. Adjusting for this, EBITDA would be **higher by 0.9% at 13.2%**.
- PBT and PAT growth were impacted by the increase in interest and depreciation costs on a YoY basis.

Figures in Rs. Crore

Revenue Mix – 9M FY24



Abridged P&L – Consolidated

Particulars (Rs. crore)	Q3 FY24	Q3 FY23	Y-o-Y Shift	9M FY24	9M FY23	Y-o-Y Shift
Net Revenue from Operations	404.97	361.31	12%	1,140.07	1,081.90	5%
Other Income	0.78	0.72	8%	2.33	2.08	12%
Total Income	405.75	362.03	12%	1,142.40	1,083.98	5%
Total Expenditure	352.77	319.67	10%	1,002.37	960.22	4%
Raw Material expenses	197.45	183.32	8%	563.24	557.38	1%
Employee benefits expense	49.95	43.39	15%	146.55	124.83	17%
Other expenses	105.36	92.95	13%	292.58	278.01	5%
EBITDA	52.97	42.35	25%	140.03	123.77	13%
EBITDA margin (%)	13.1%	11.7%	+136 Bps	12.3%	11.4%	+84 Bps
Finance Costs	10.24	8.26	24%	29.84	22.68	32%
Depreciation and Amortization	20.12	16.28	24%	56.68	46.87	21%
PBT	22.62	17.81	27%	53.51	54.22	-1%
Tax Expenses	5.88	2.20	167%	12.77	12.50	2%
PAT	16.74	15.61	7%	40.74	41.72	-2%
PAT Margin (%)	4.1%	4.3%	-19 Bps	3.6%	3.8%	-28 Bps

Management Message

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

"I am delighted to share that Q3 revenue of Rs. 405 crore is the highest ever quarterly revenue in the history of Alicon. In recent years, we have invested significant effort towards elevating our business offerings by focusing on products with higher share of value addition, enhancing customer profile, driving greater element of design differentiation while leveraging on technical competencies, Research & Development and material excellence which is reflected in our performance.

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Concall Details

Conference Call Details

Alicon Castalloy's Q3 & 9M FY24 Earnings Conference Call

Time & Date

- 11:30 am IST on Monday, February 12, 2024
-

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
-

Pre-registration Link

- [Diamond Pass](#)
-



Thank You

For further information, please contact:

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For more information, visit www.alicongroup.co.in