

February 15, 2022

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 Q3 FY21-22

Dear Sir/ Madam,

Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith investor presentation on the financials for the quarter ended December 31, 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 stylized flourish at the end.

Swapnal Patane
Company Secretary

Alicon Castalloy Ltd

Q3 & 9M FY22 Results Presentation

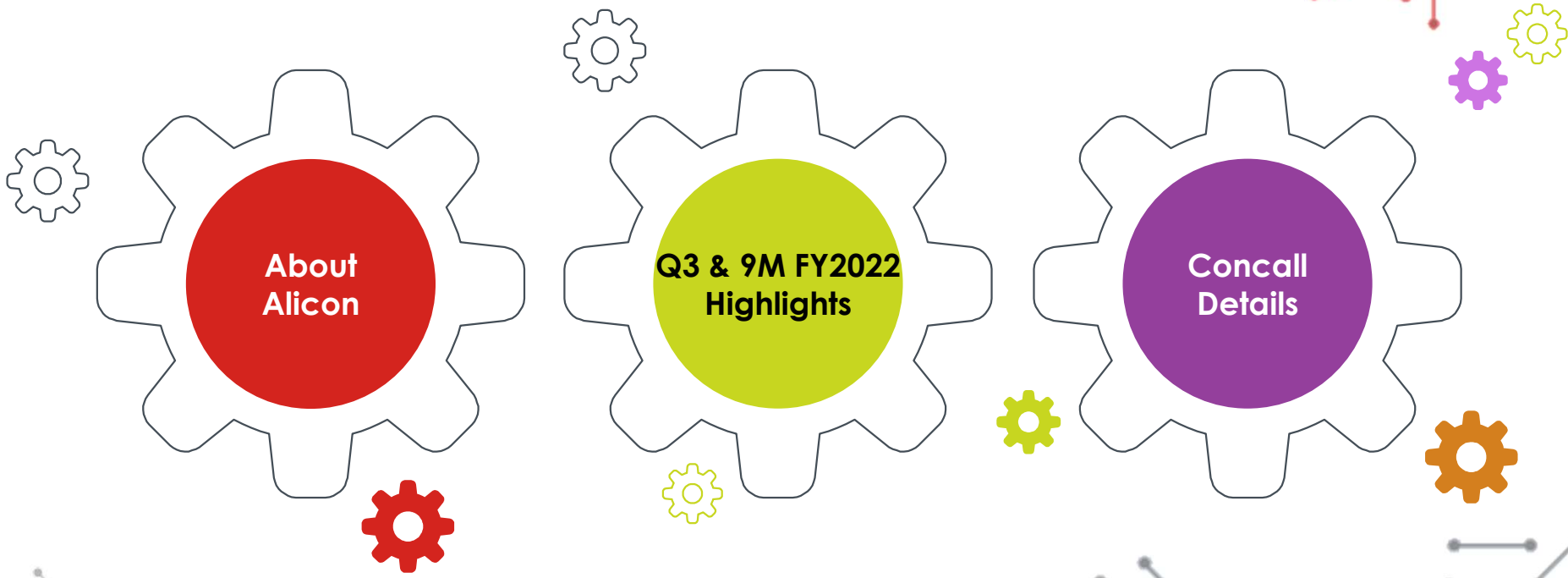
February 15, 2022



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



851

INR crore of Total
Income in FY21



86

INR crore of
EBITDA in FY21



90

customers with..

774

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*

Enkei Corporation

*Leading Japanese
motor cycle and
passenger car
wheel
manufacturer*

**70+ years of
experience**

Alicon Castalloy

Largest Foundry in India –
offering frugal engineering
solutions

49 years of track record

Illichmann Castalloy

European subsidiary - improving
Alicon's presence in US and
European markets

**89+ years of proven
global track record**

Silicon Meadows

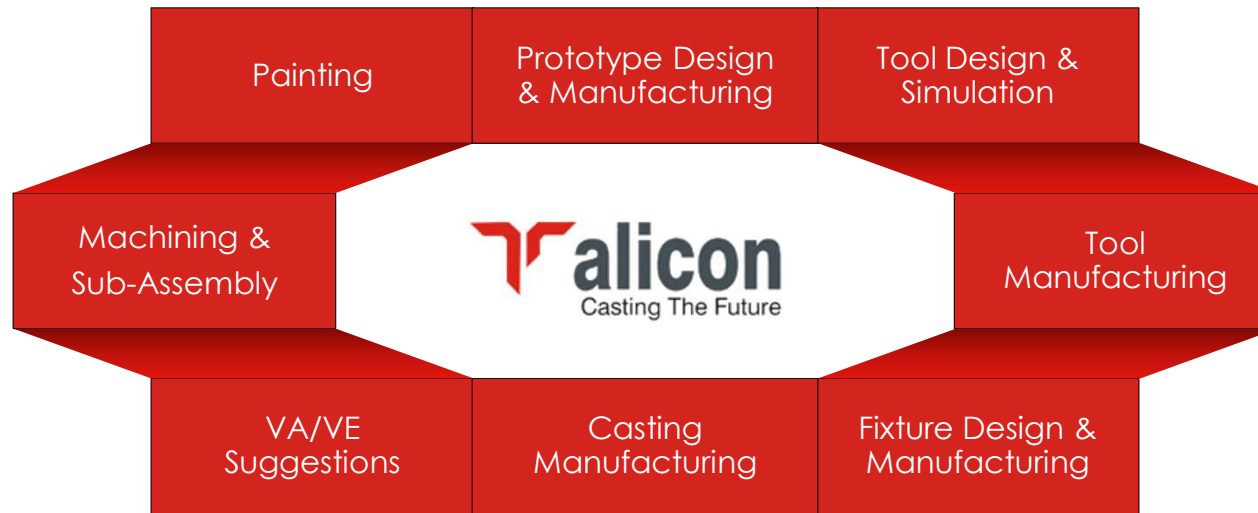
Support in
Engineering, Tool
Design and
manufacturing

**20+ years of
experience**

230+

Years of
Cumulative
Experience

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



FOUR WHEELER OEM



TIER 1 & NON AUTO



AND MANY MORE....

Not reliant on a single 'anchor' customer

None of the customers contribute >15% of turnover



Q3 & 9M FY2022 Operational & Financial Highlights

Q3 & 9M FY22: Overview of Operating Environment

Business & Macro-demand Highlights:

- While the quarter saw an uptrend in demand for domestic vehicles, volumes were mainly impacted on account of supply issues
- Chip shortage supply constraints continued during the quarter, curtailing vehicle sales across segments in the industry
- Long-term outlook remains buoyant given demand buildup and replacement backlog, shift towards newer high-tech vehicles and preference for personal mobility among other factors
- In the medium term, volumes are expected to improve owing to stabilising semiconductor supplies across the global markets
- New product launches across industry are expected to support growth ahead
- 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



Q3 & 9M FY22: Overview of Operating Environment

Union Budget 2022 – Key Highlights for the EV industry:

- The Government has announced supportive regulations and policies for electric vehicles in the Union Budget 2022
- The announcement of the new battery swapping policy will improve the country's EV infrastructure and create a thrust on adoption of environment-friendly public transportation
- In addition, the GoI has announced plans to construct 25,000 kms of national highway in 2022-23



Q3 FY22 - Operational Resilience

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

Sustainable Cost-optimisation

New Business Wins:

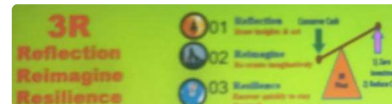
- In Q3 FY22, the Company has booked 30 parts from 9 customers
- New logo added in the EV segment – Arrival
- New logo added in Non Auto - Textron

Key Motto for FY 21-22: 3R

- Manufacturing facilities operating at utilization levels of 60-65%
- 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

Manufacturing processes

Future Ready

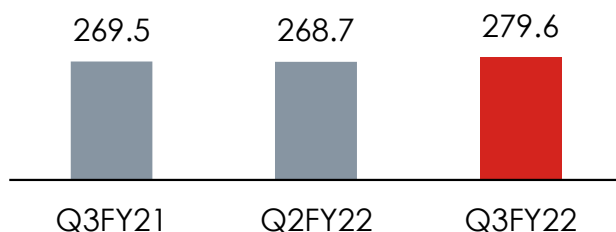


Alicon, as an organization is Future Ready to tap opportunities arising from:

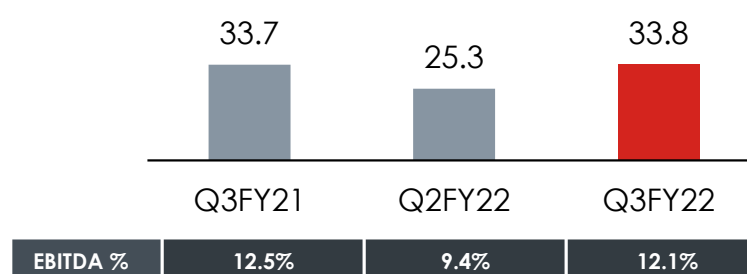
- Shift to personal mobility catalysed by pandemic
- Preference for green vehicles such as hybrid and electric vehicles
- Staggered introduction of vehicle scrappage policy
- Thrust on higher fuel efficiency
- Cost-optimisation & light-weighting of products

Q3 FY22 Highlights – Consolidated

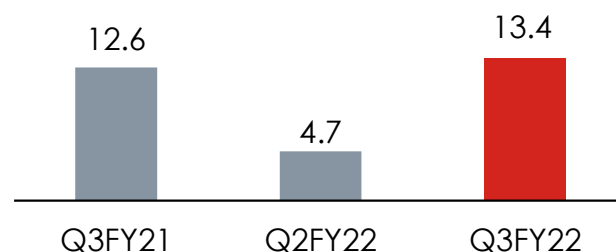
Total Income



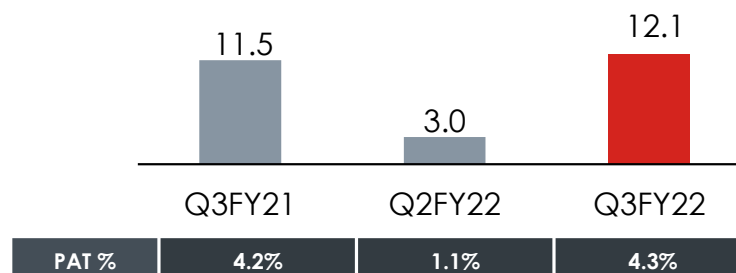
EBITDA



PBT



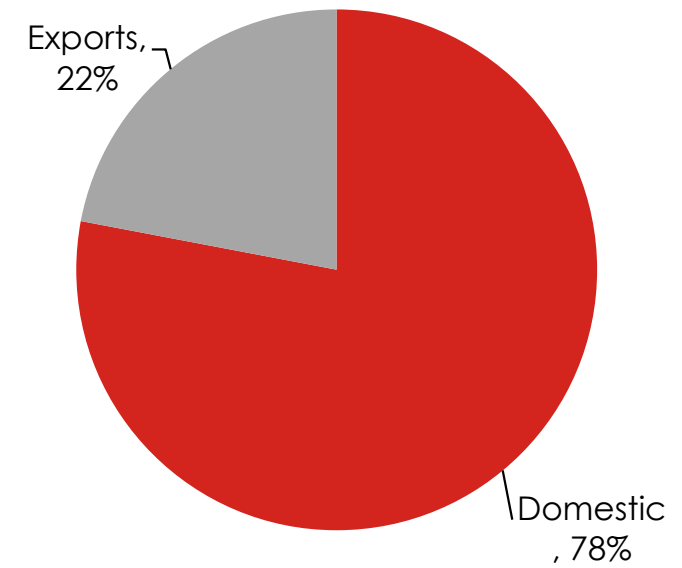
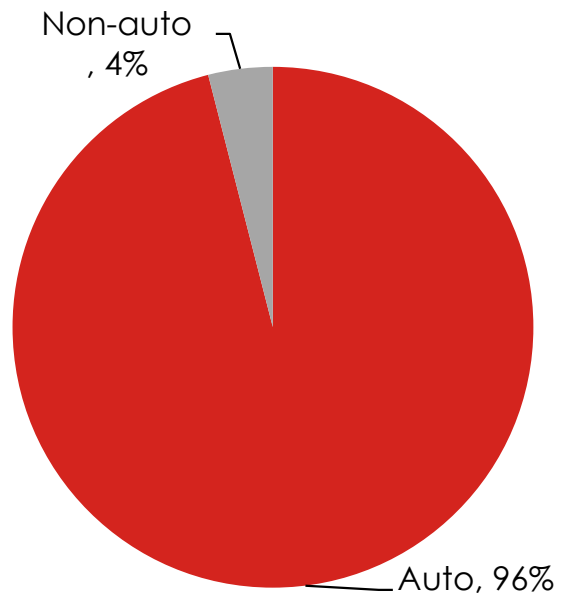
PAT



- Despite a challenging macro-environment, Alicon reported a healthy uptick in sales both on YoY and QoQ basis
- Performance supported by improved contribution from international subsidiary – Illichman.
- In Q3, total Income was higher by 4% YoY
- Other income of Rs. 0.64 crore
- Global RM inflation impacted profitability performance during the quarter. However, optimal product mix and cost-optimisation measures supported margins
- Gross profit stood at Rs. 139.82 crore, with margins at 50.1%
- EBITDA margin at 12.1%
- Reported PAT of Rs. 12.14 crore

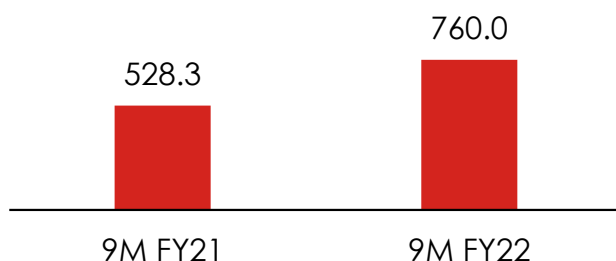
Figures in Rs. Crore

Revenue Mix – Q3FY22

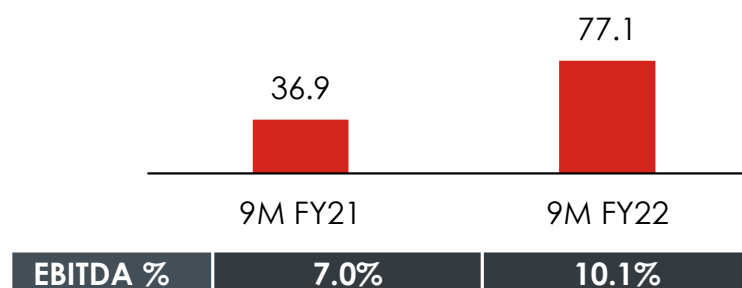


9M FY22 Highlights – Consolidated

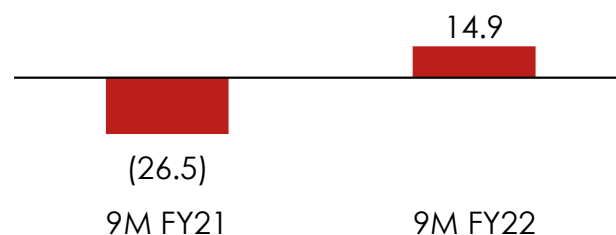
Total Income



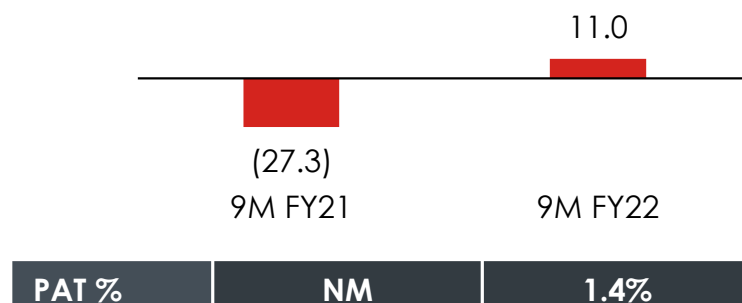
EBITDA



PBT



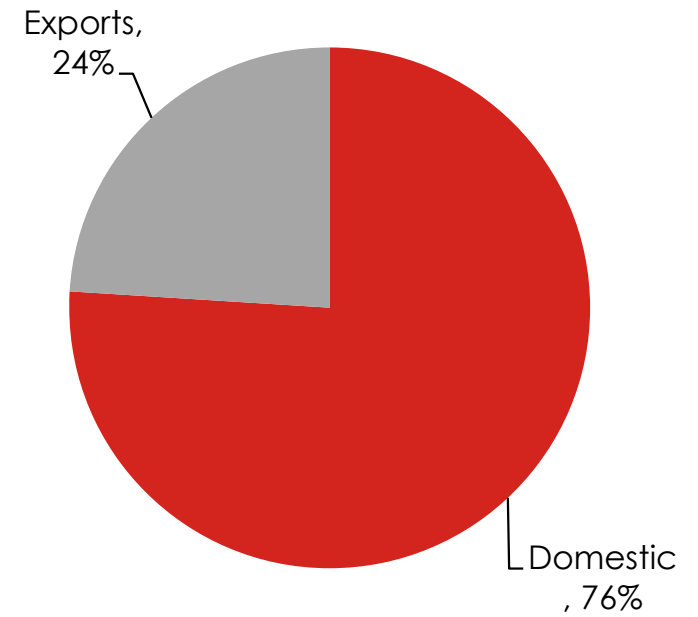
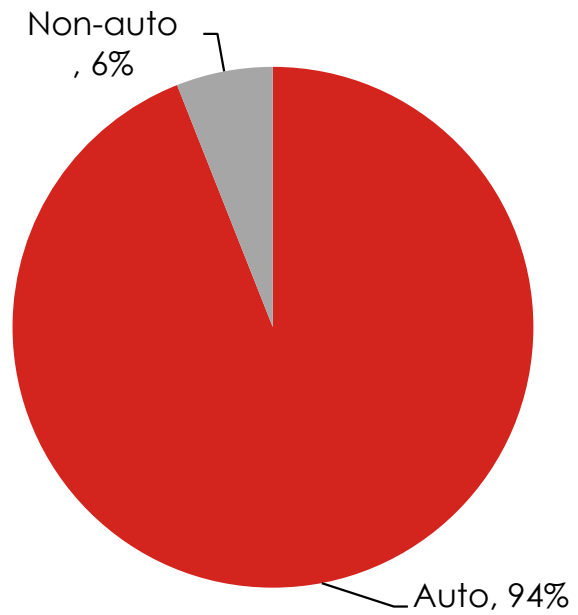
PAT



- Reported a healthy performance, despite operating challenges owing to the Covid-19 pandemic
- Gross profit stood at Rs. 372.51 crore, with margins at 49.2%
- Alicon is engaging with customers on a monthly-adjustment model. This approach has enabled it to mitigate cost pressures and protect margins during the period, despite RM pressures
- EBITDA margin at 10.1%
- PAT at Rs. 11 crore

Figures in Rs. Crore

Revenue Mix – 9M FY22



Abridged P&L – Consolidated

Particulars (Rs. crore)	Q3FY22	Q3FY21	Y-o-Y Shift	9M FY22	9M FY21	Y-o-Y Shift
Net Revenue from Operations	278.94	268.43	4%	757.49	526.00	44%
Other Income	0.64	1.11	-42%	2.51	2.34	7%
Total Income	279.58	269.54	4%	760.00	528.34	44%
Total Expenditure	245.80	235.89	4%	682.92	491.40	39%
Raw Material expenses	139.12	134.28	4%	384.98	258.24	49%
Employee benefits expense	33.60	36.83	-9%	97.47	95.92	2%
Other expenses	73.08	64.78	13%	200.47	137.24	46%
EBITDA	33.78	33.65	0%	77.08	36.94	109%
EBITDA margin (%)	12.1%	12.5%	-40 Bps	10.1%	7.0%	+315 Bps
Finance Costs	6.92	8.83	-22%	22.98	26.91	-15%
Depreciation and Amortization	13.41	12.22	10%	39.22	36.55	7%
PBT	13.44	12.60	7%	14.88	(26.52)	NA
Tax Expenses	1.30	1.15	13%	3.91	0.74	427%
PAT	12.14	11.45	6%	10.97	(27.26)	NA
PAT Margin (%)	4.3%	4.2%	+10 Bps	1.4%	NM	NA

Management Message

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

“We have reported a strong performance this quarter, with profit growth despite macro-economic challenges. Supply chain issues continued during the period, which moderated volume performance across the industry. Demand trends are encouraging both in the domestic markets as well as in international markets. Overall, we reported consolidated revenues of Rs. 278.94 crore during the quarter, higher by 4% YoY and QoQ basis. On the profitability front, input cost pressures continued to affect margins. However, we have been passing on price increases to the customer. This along with an improved product mix has enabled us to recoup impact on our margin to a large extent. The EBITDA margin this quarter stood at 12.1%, higher by 268 bps QoQ.

Importantly, we are happy to share that order wins continued at a strong pace. We have won contracts from multiple existing OEMS and are encouraged to share that we have received incremental orders from new OEMs such as ARRIVAL and Textron during the quarter. Discussions with customers, indicate improved visibility.

As we look ahead, we are seeing early signs of stabilisation in the supply-chain across international markets, which bodes well for the industry as a whole. Additionally, there are a slew of encouraging measures from the Government regarding faster adoption of EV across the country. The recently announced battery swapping policy along with the existing PLI, FAME schemes accelerate EV and green mobility eco-system in India. Overall, we remain optimistic of delivering strong and sustainable growth in business operations as the broader macro-environment normalizes”



Concall Details

Conference Call Details

Alicon Castalloy's Q3 FY22 Earnings Conference Call

Time & Date

- 11.30 AM IST on Wednesday, February 16, 2022

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:

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