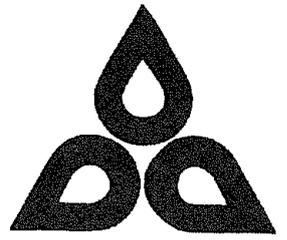


NELCAST LIMITED



2nd November 2022

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**

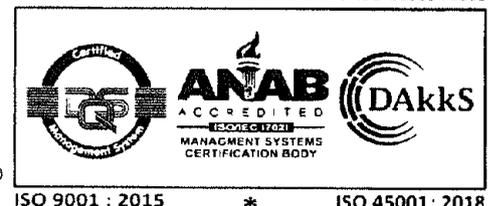
SRIKALATHI Digitally signed by
SRIKALATHI SIVAKUMAR
SIVAKUMAR Date: 2022.11.02
18:56:23 +05'30'

(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

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.)

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

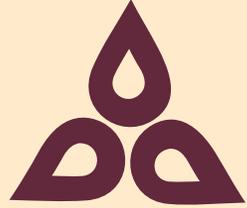


ISO 9001 : 2015

*

ISO 45001 : 2018

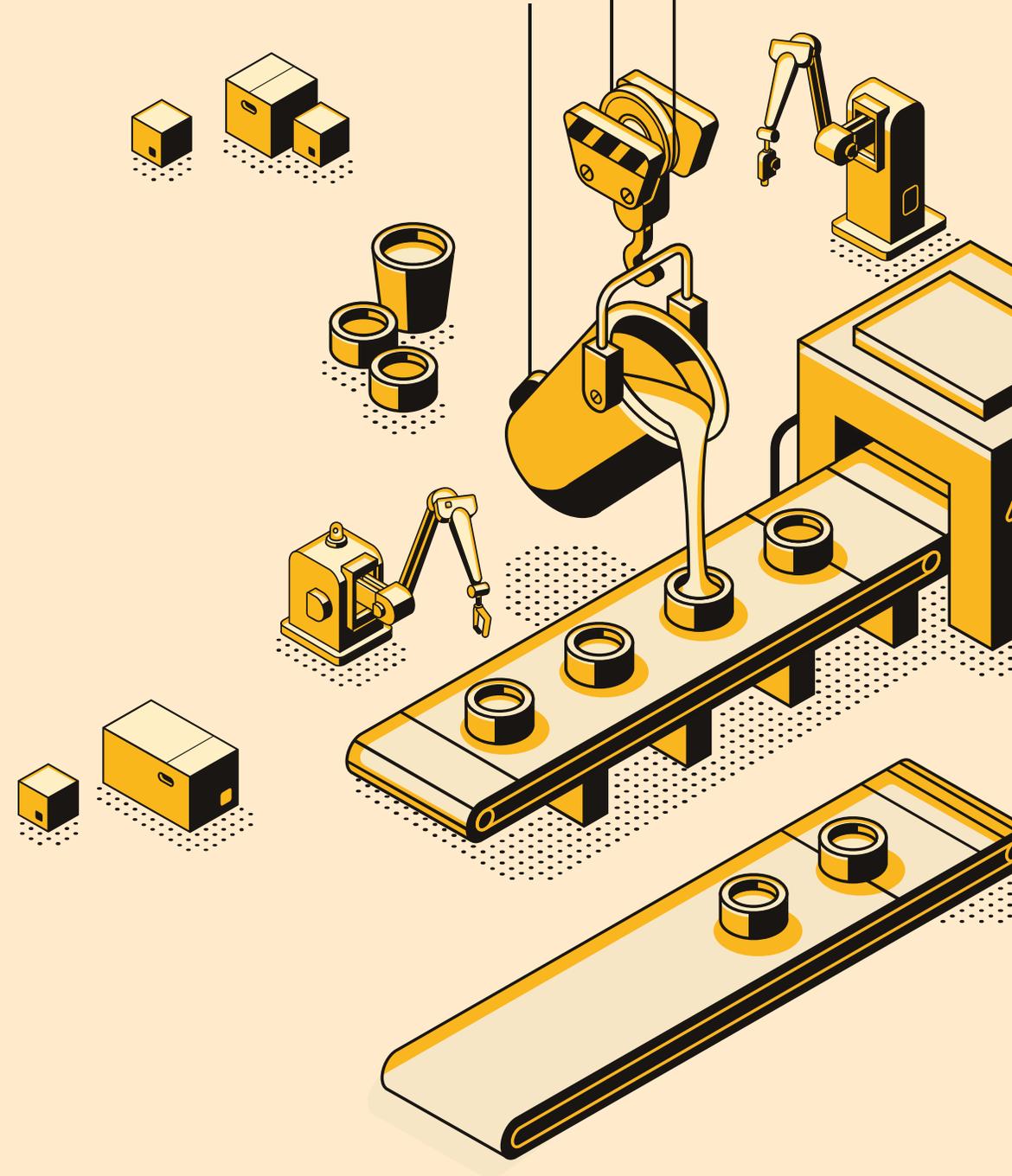
NELCAST
LIMITED



Investor Presentation

November 2022

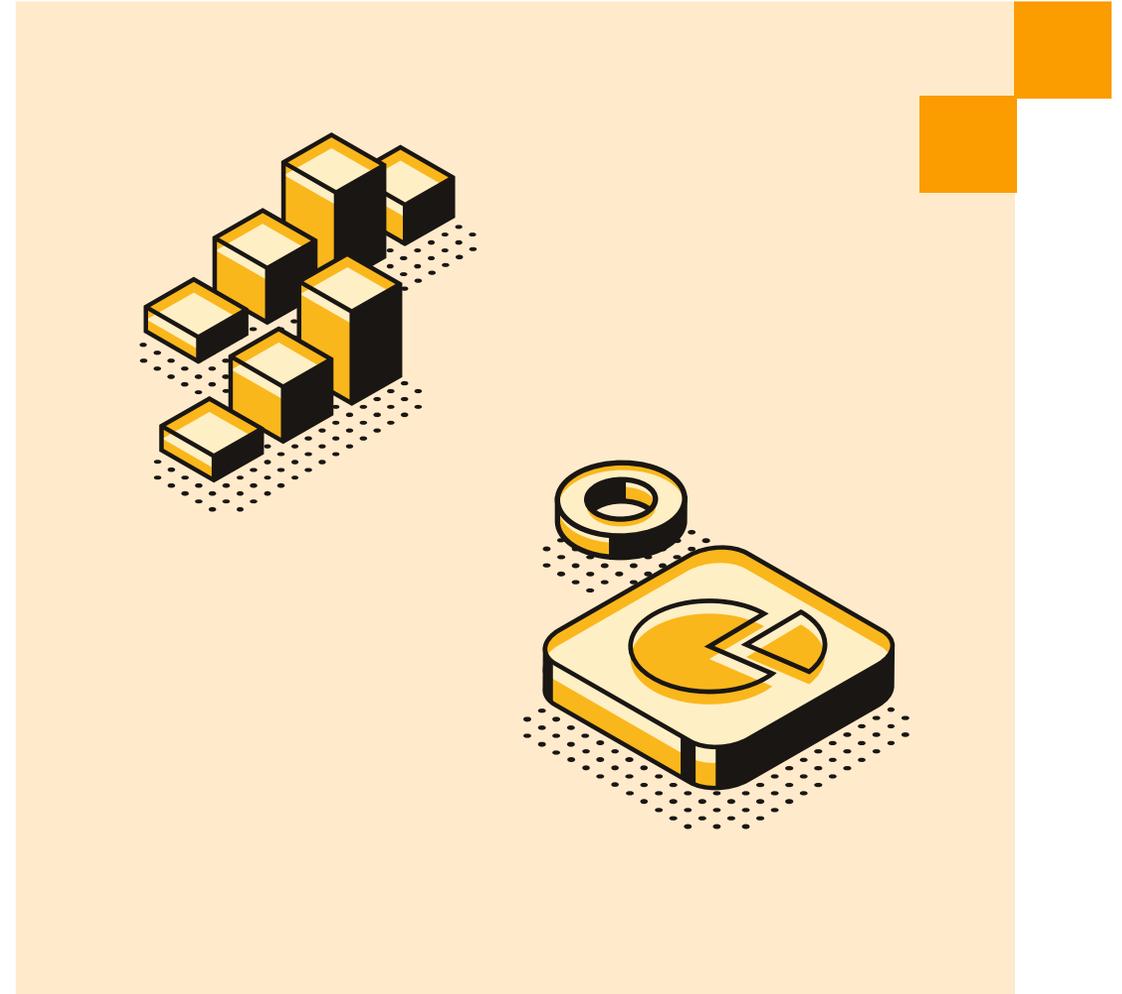
BSE: 532864 | NSE: NELCAST | ISIN: INE189101024
www.nelcast.com



Q2FY23 Highlights

Profit & Loss Highlights 03

Key Developments & Outlook 04



Profit & Loss Highlights

Consolidated (in INR Cr.)	Q2FY23	Q2FY22	YoY %	Q1FY23	QoQ %	H1FY23	H1FY22	YoY %
Total Revenue	331.7	242.0	37.0%	299.6	10.7%	631.2	430.3	46.7%
EBITDA	30.1	16.6	81.1%	23.3	29.1%	53.4	31.1	71.4%
EBITDA Margin %	9.1%	6.9%	221 bps	7.8%	129 bps	8.5%	7.2%	122 bps
EBITDA/kg	13.5	8.9	52.0%	12.2	10.6%	12.9	8.7	48.0%
PAT	12.2	3.4	261.2%	7.8	56.5%	19.9	5.4	269.6%
PAT Margin %	3.7%	1.4%	227 bps	2.6%	107 bps	3.2%	1.3%	190 bps

REVENUE

₹332_{CR}

Growth was driven by increase in volumes (22,090 Tonnes in Q2FY23 vs 19,277 Tonnes in Q2FY22), better realization due to exports growth and strong Commercial Vehicle demand.

EBITDA/KG

₹13.5

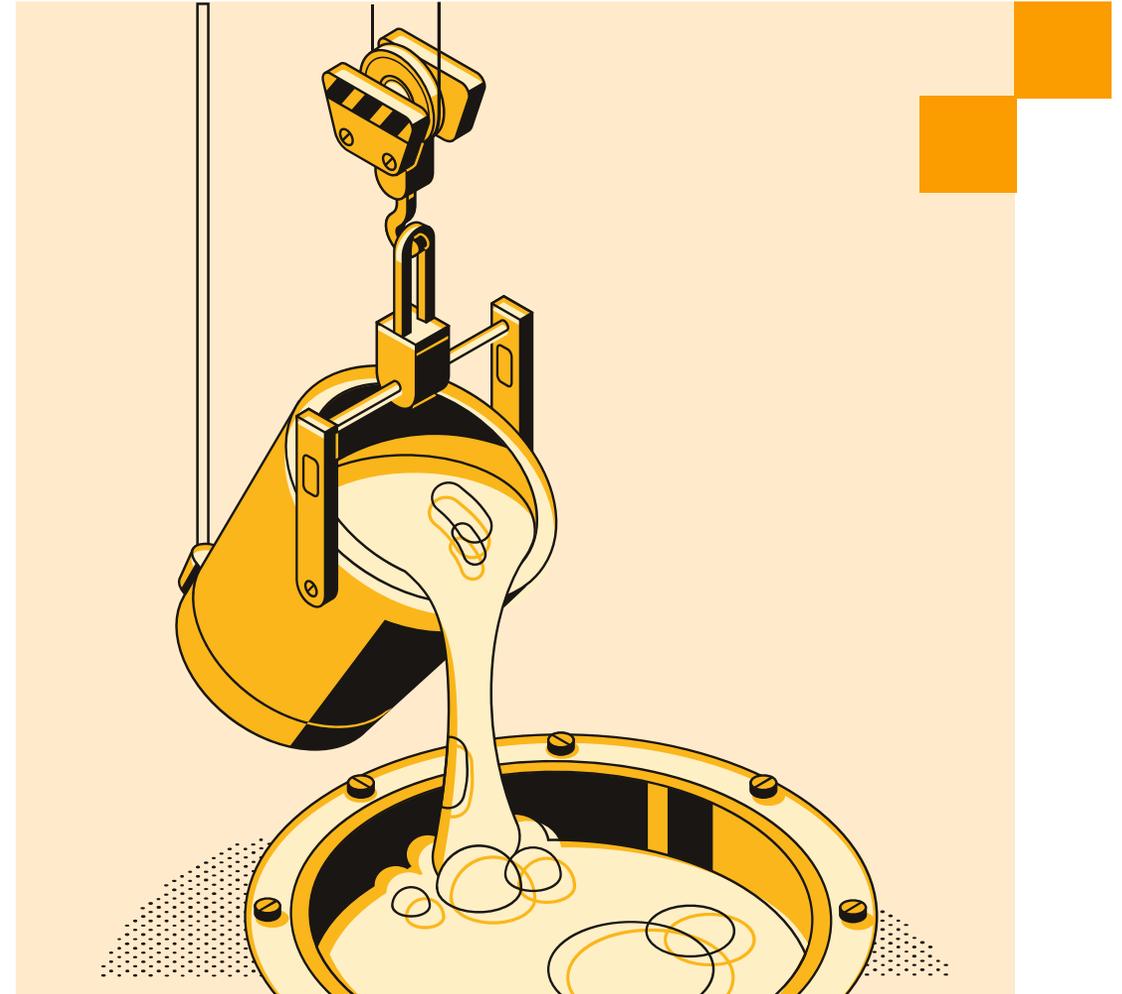
Surpassed the FY23 target of Rs. 12 on the back of sales volume growth, softening of raw material cost and the benefit of pass through of raw material price increase

Key Developments & Outlook

PARTICULARS	CURRENT (Q2FY23)	OUTLOOK
Overall Performance	Decent quarter driven by strong demand from Commercial Vehicle and Exports.	Performance of Q3FY23 to be largely in-line with Q2FY23 followed by a stronger performance in Q4FY23.
Tractors	Good production numbers, witnessed a strong demand.	October to be mildly impacted by seasonality and full impact to be felt from November onwards. Volumes in Q3FY23 and Q4FY23 to be lower than Q2FY23.
Medium & Heavy Commercial Vehicles	Strong performance	Growth momentum to continue in Q3FY23 and Q4FY23.
Exports	Demand remains strong. New products are in final ramp up stage.	On track to achieve target of Rs. 300 Crores of revenues in FY23. New product launches to hit market in January 2023.
EBITDA/kg	Surpassed the FY23 target of Rs. 12 on the back of sales volume growth, softening of raw material cost and the benefit of pass through of raw material price increases	Positive on achieving the target of Rs. 12/kg in FY23
Sales Volumes	Witnessed a strong volume growth (22,090 Tonnes in Q2FY23 vs 19,277 Tonnes in Q2FY22)	On track to achieve 90,000 Metric Tons in FY23
Awards	Received two awards – ‘Extraordinary Support’ from Tata Motors and ‘Excellence in New Product Development in Castings’ from Automotive Axles. Serves as a validation towards our best-in-class service to our customers.	Focussed towards meeting customers’ needs through our best-in-class product portfolio.

Company Overview

Company at a Glance	06
Key Products	07
Manufacturing Process & the Nelcast Advantage	08
Our Well-Equipped Plants	09
Our Journey	10



Company at a glance



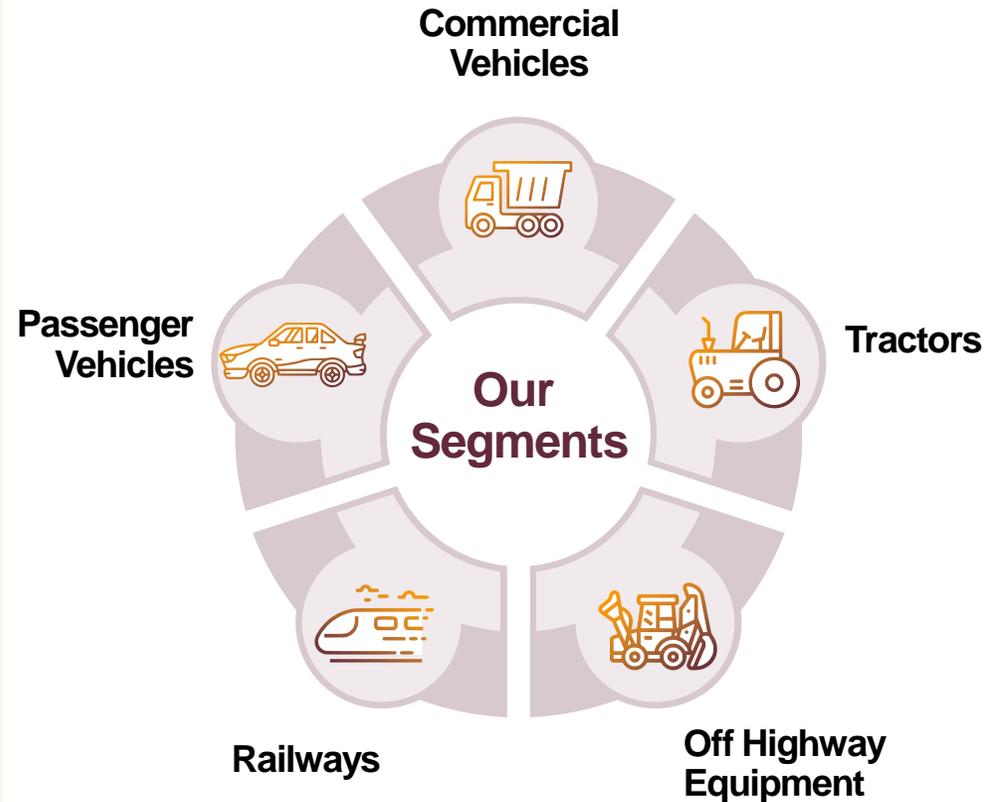
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



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

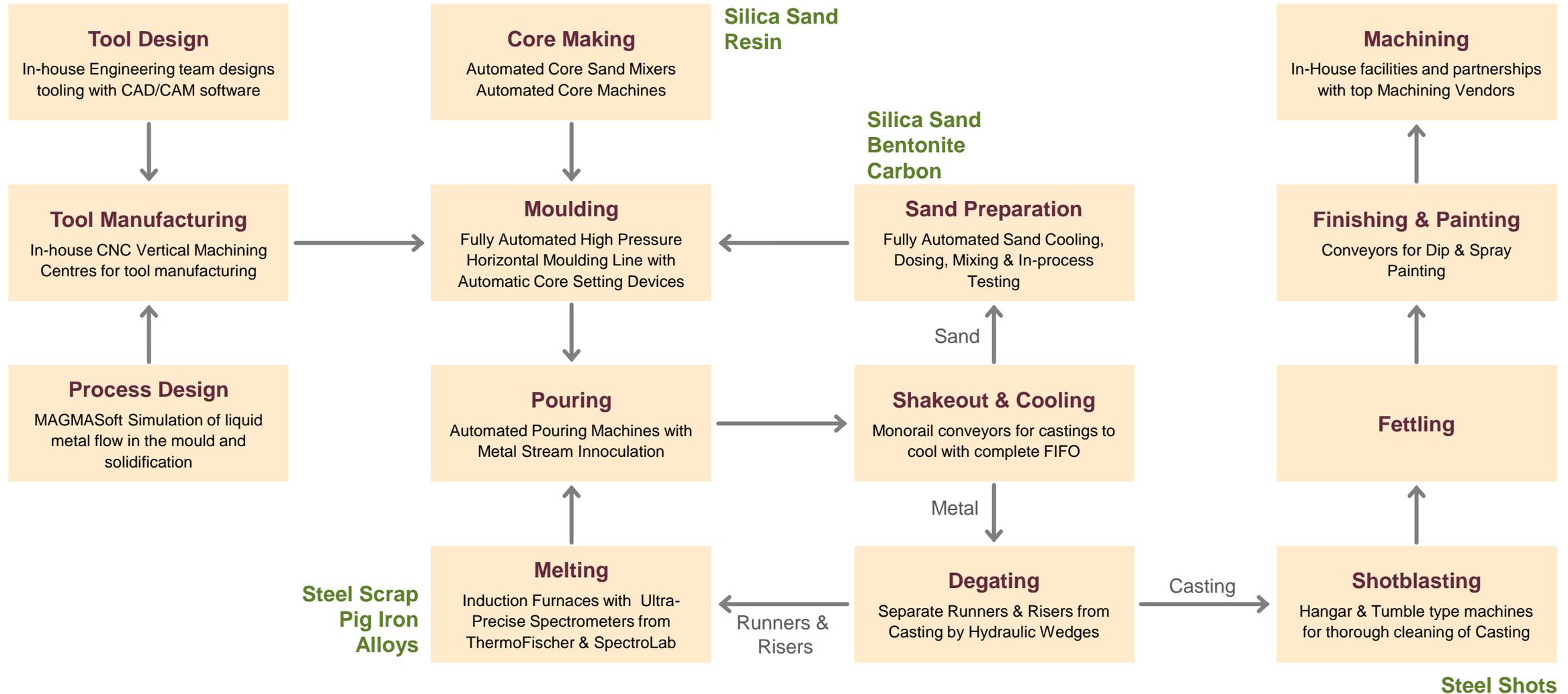


Differential Carrier



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



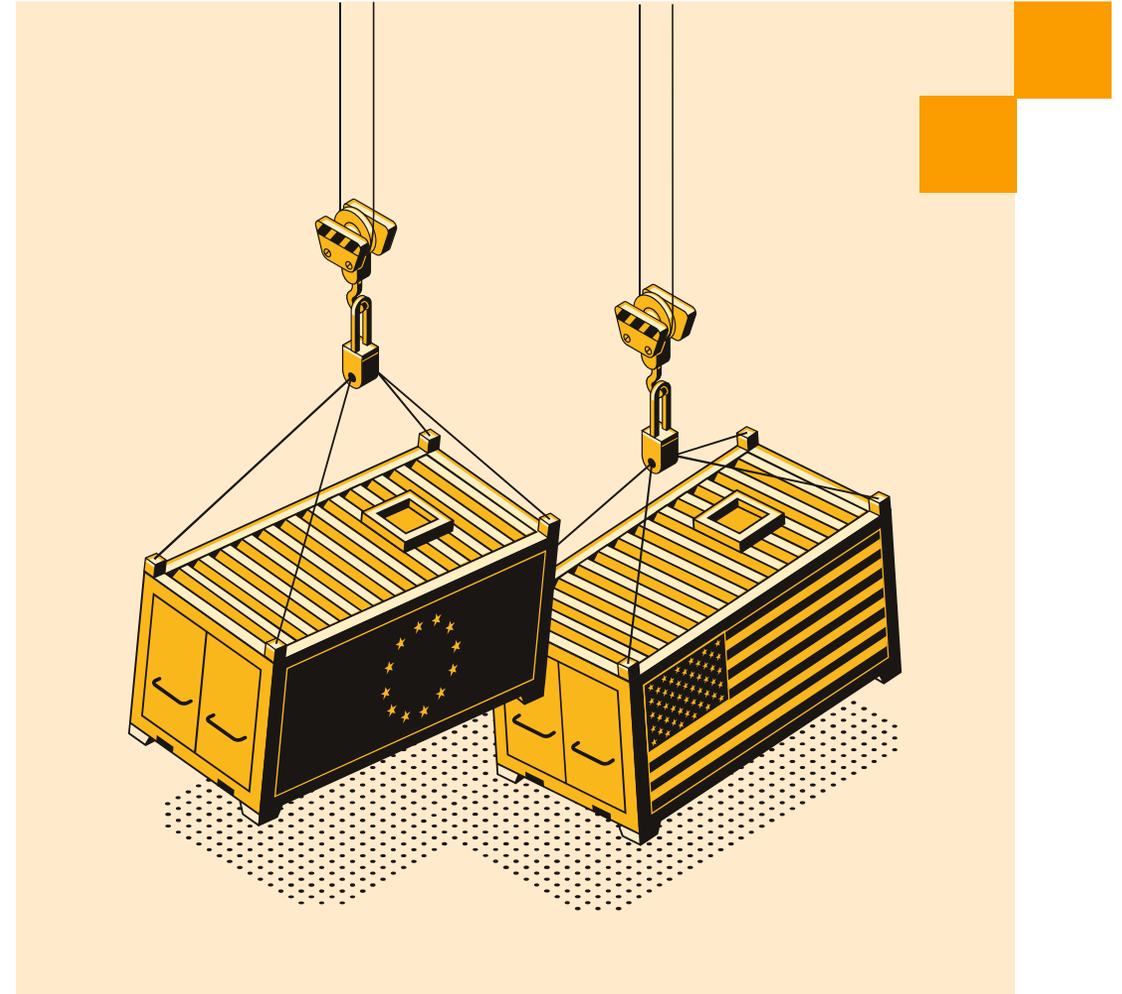
Awarded ISO 50001 Certification for Energy Management System



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

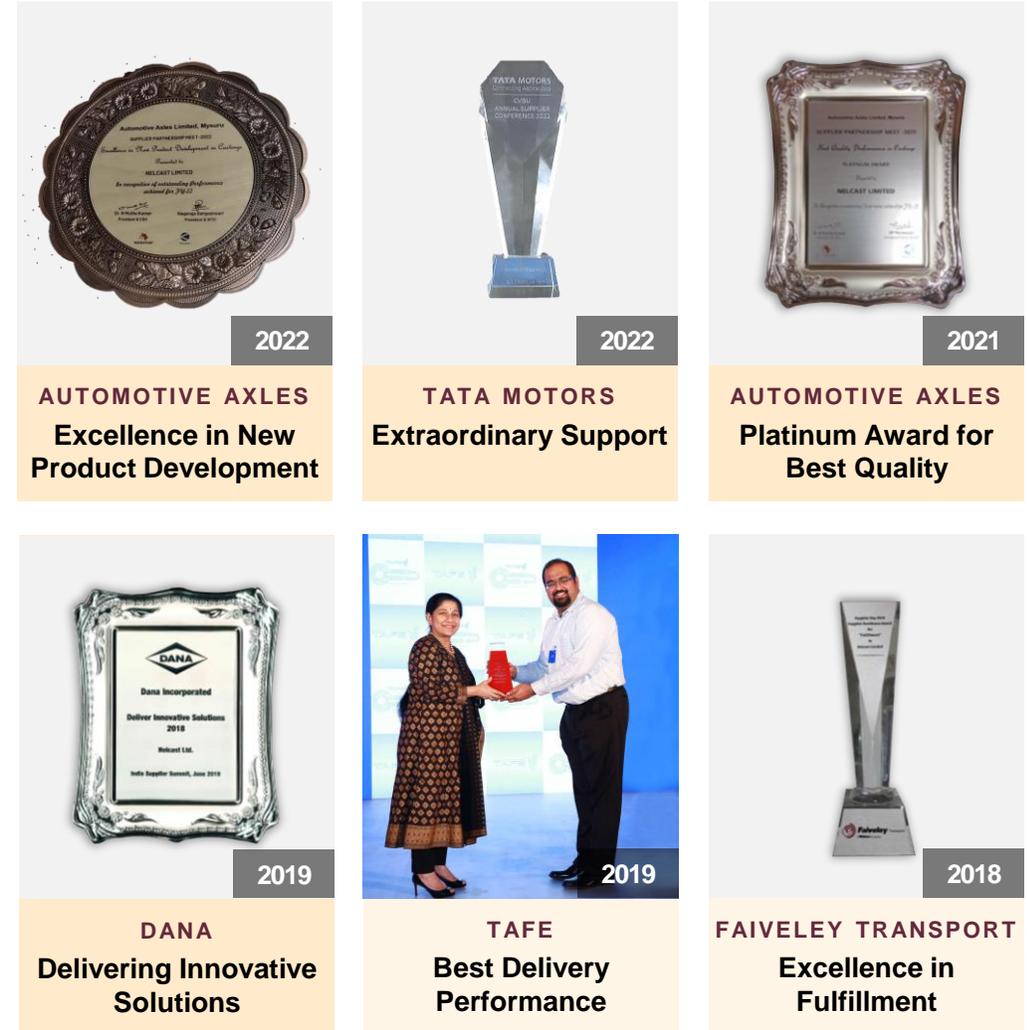
Top OEM Customers



Top Tier-1 Customers

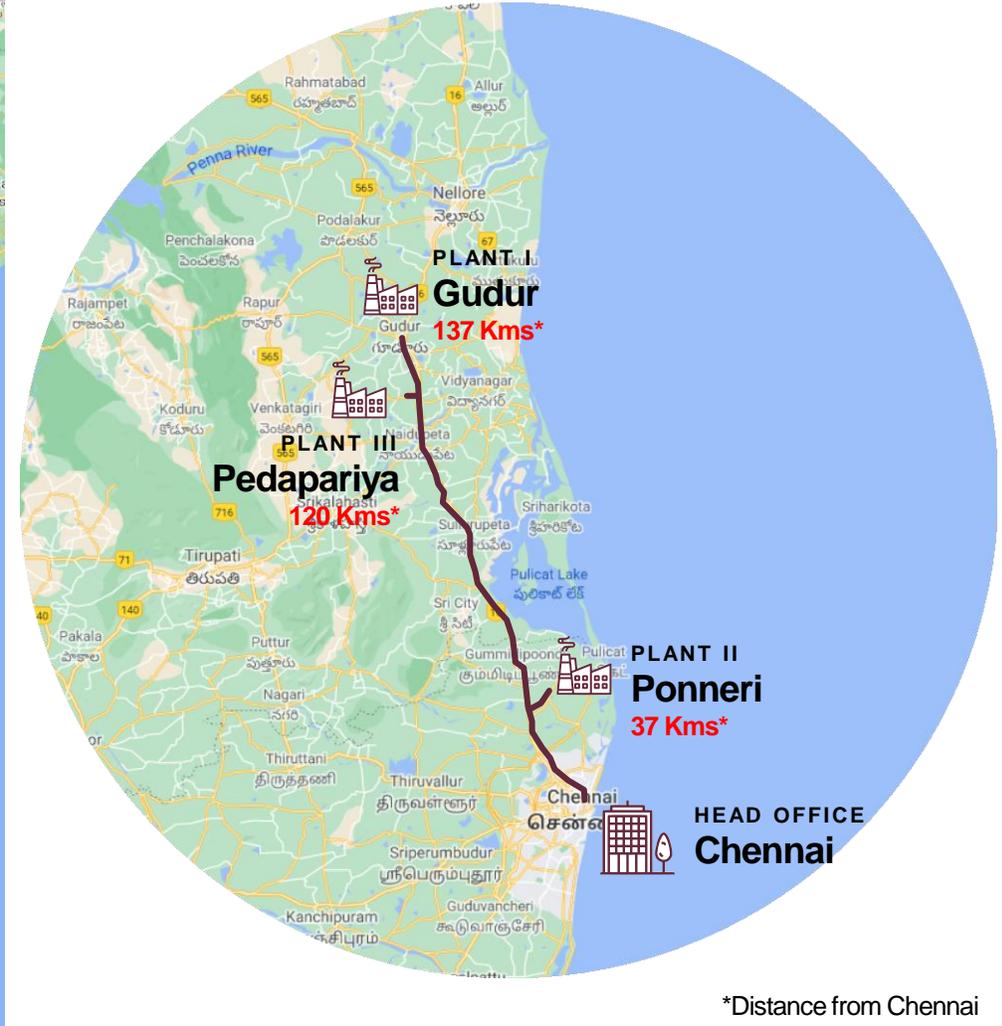
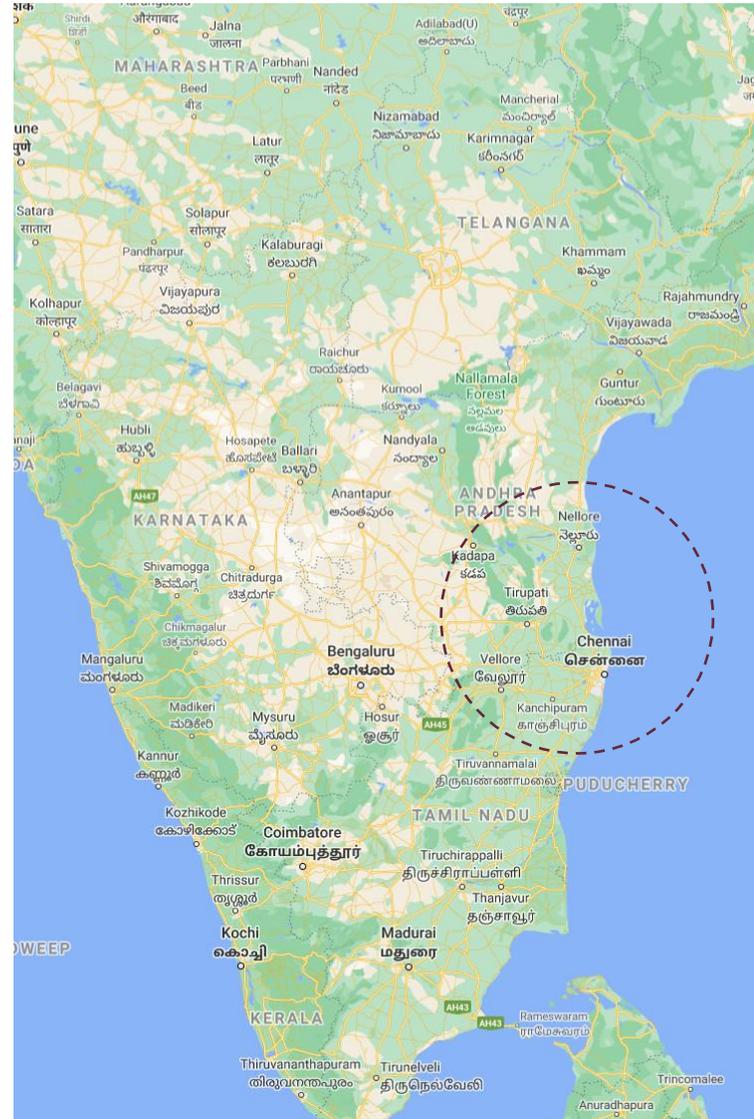


Awards



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

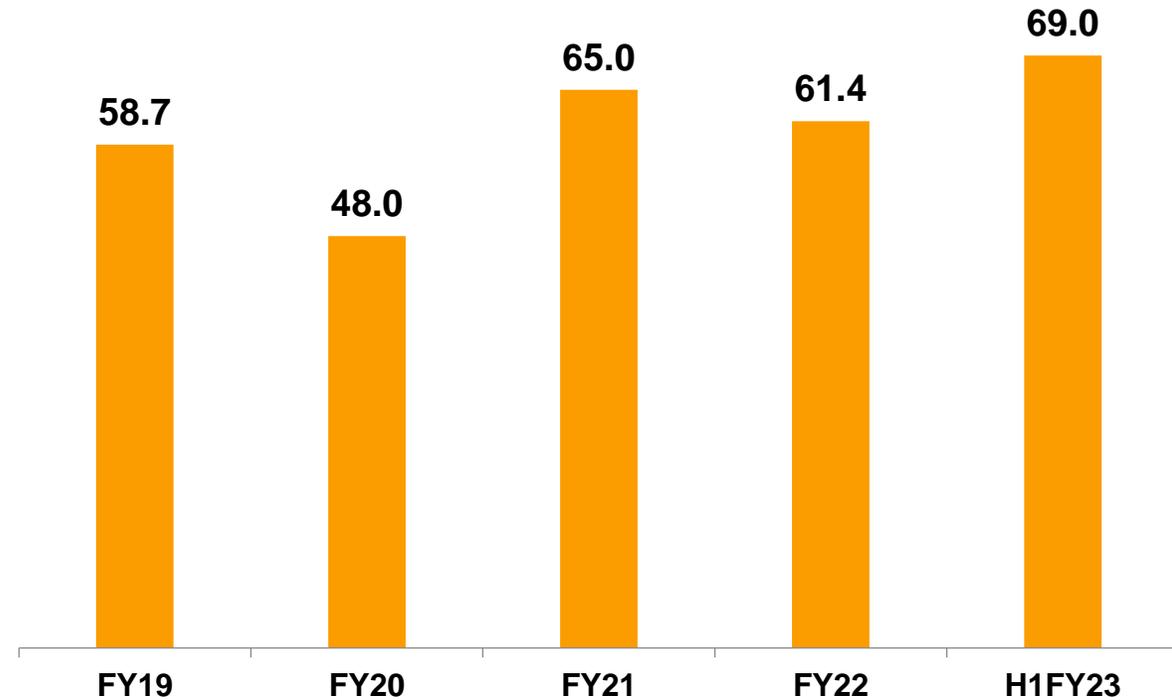


*Distance from Chennai

3 Strong Business Foundation

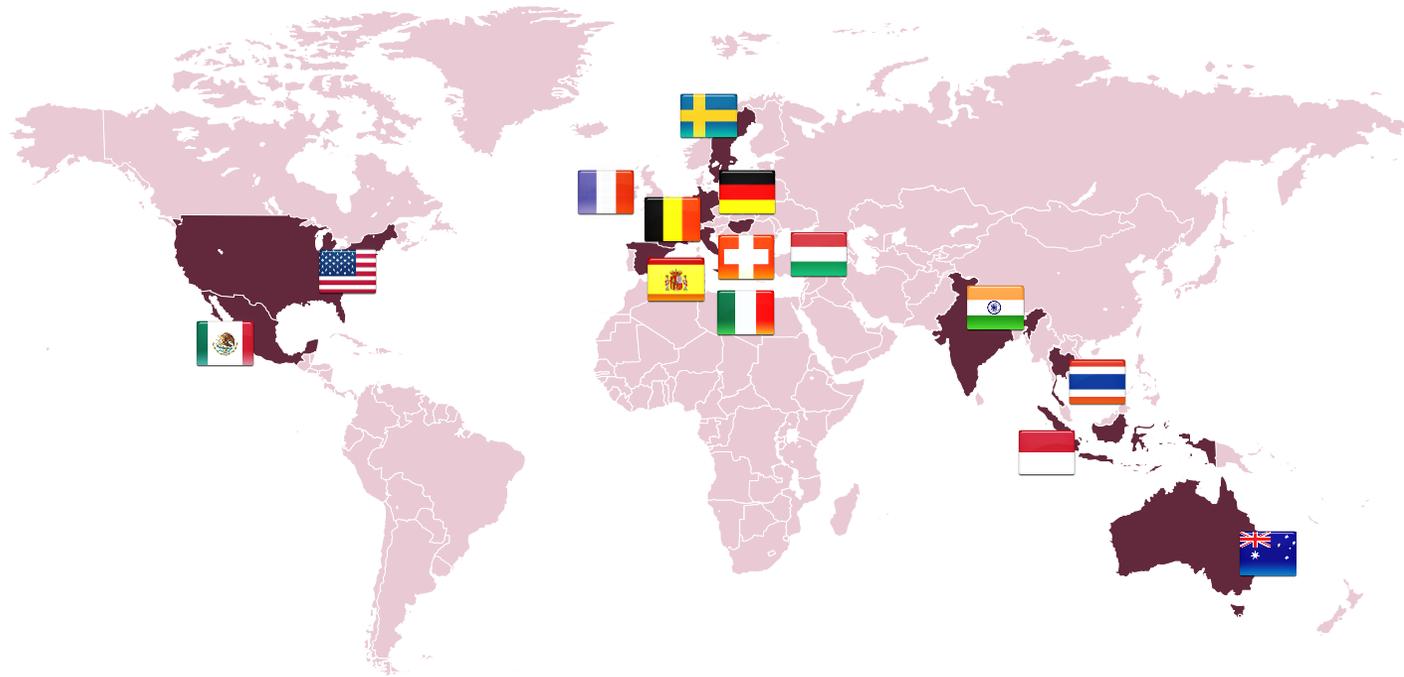
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within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

Cash & Cash equivalents (in Rs. Cr.)

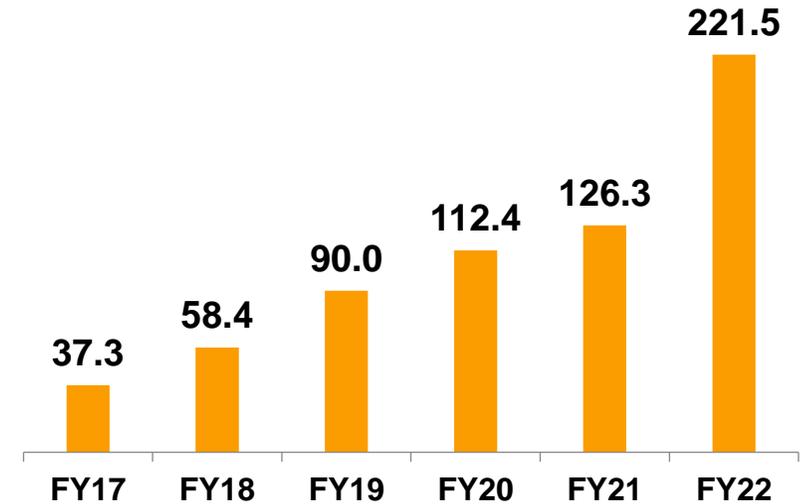


4 Strong Export Growth Potential

- 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.



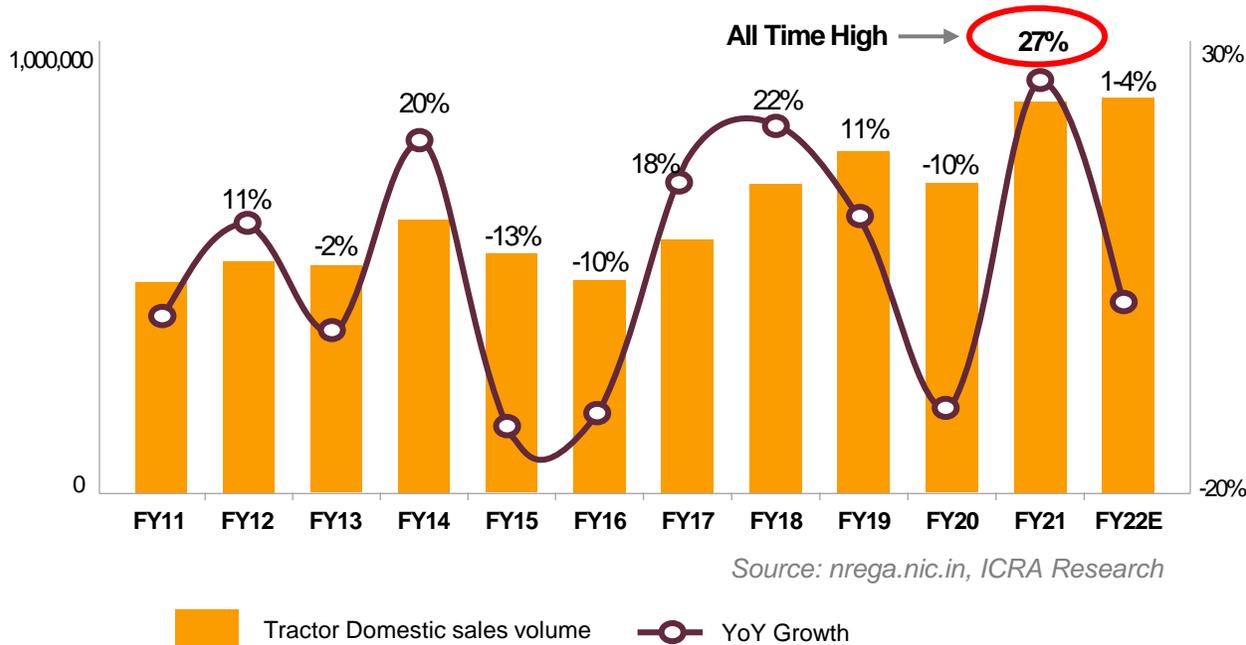
Revenue from Exports (in Rs. Cr.)



5 Large Market Opportunity

Indian Tractor Industry

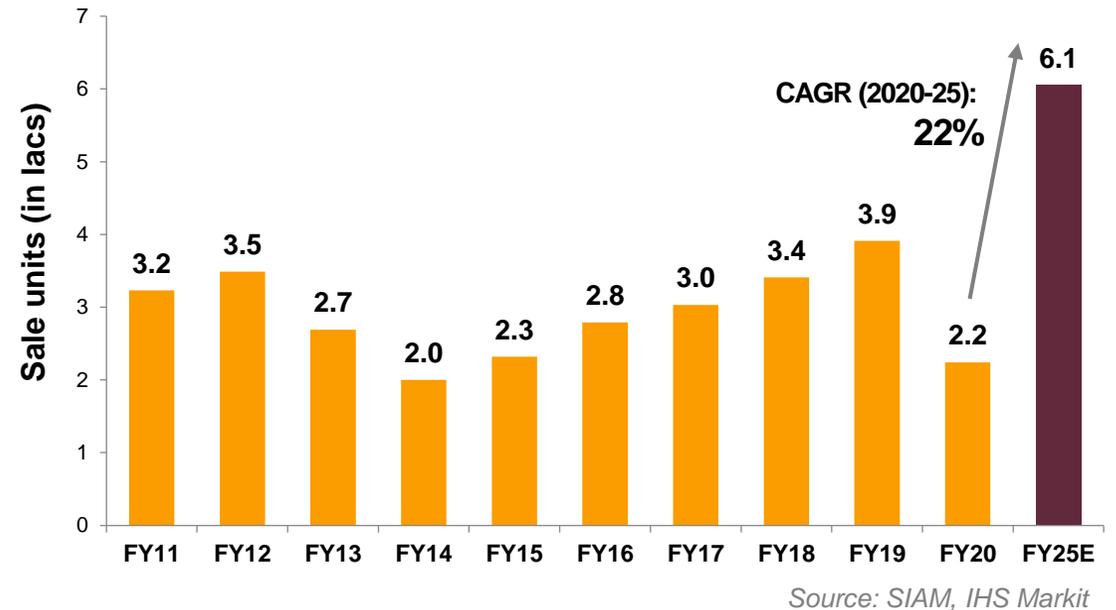
Industry volumes touched all-time high in FY2021; expected to remain healthy



The Indian tractor market is projected to reach **US\$ 113 bn** by 2025 from an estimated US\$ 92 bn in 2020 driven by good monsoon season and increased rural income.

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



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

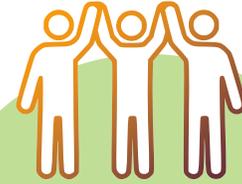
- **Renewable energy:**

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

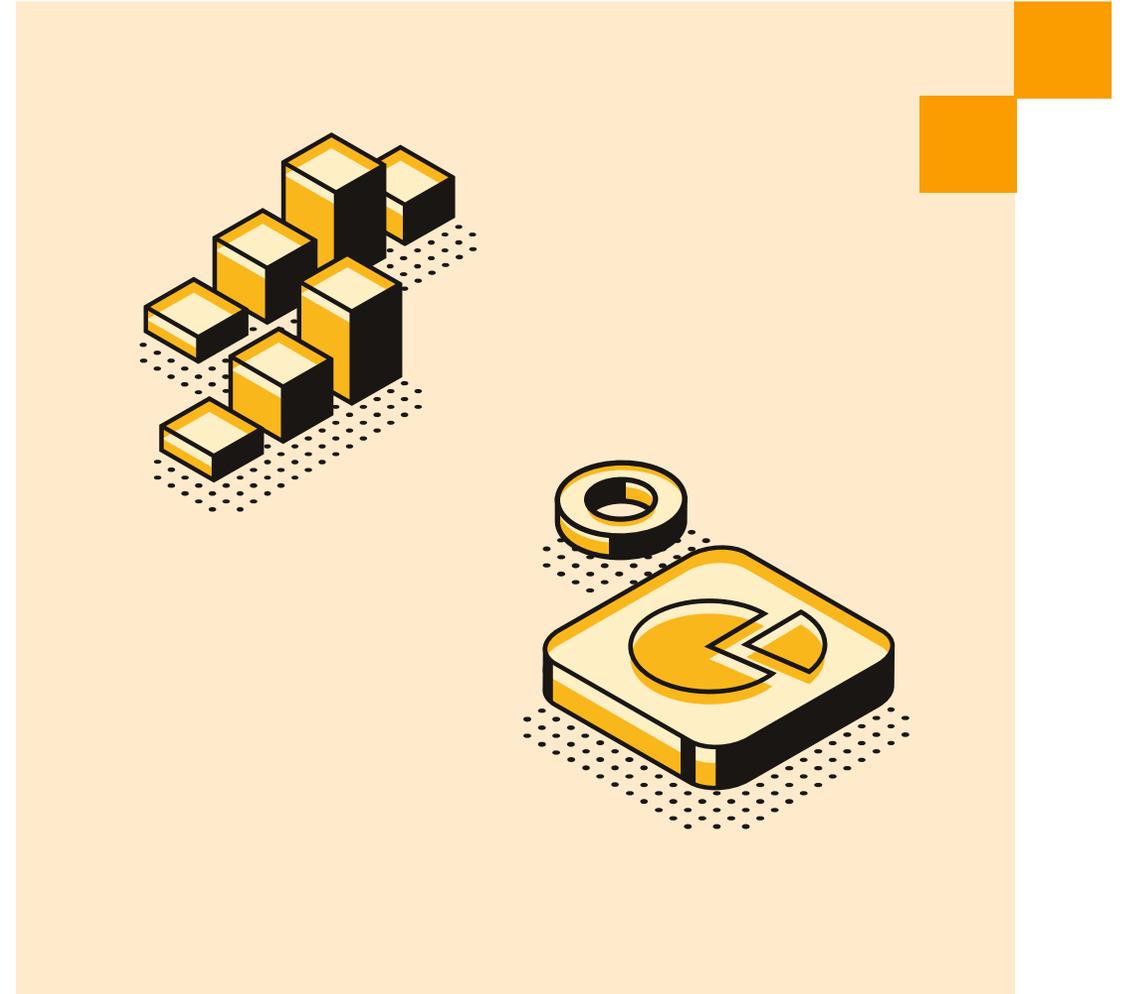
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



Annual Financials

Profit & Loss Highlights 21

Balance Sheet Highlights 22



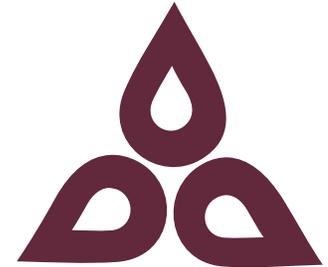
Profit & Loss Highlights

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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✉: Sonia.keswani@in.ey.com

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