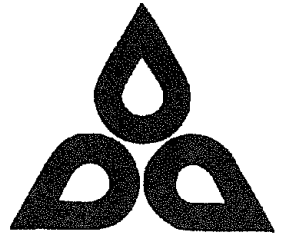


NELCAST LIMITED



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: **Press Release on the Unaudited Financial Results of the Company for the quarter ended 30th September 2022**

We are enclosing the Press Release on the Unaudited Financial Results of the Company for the quarter and half-year ended 30th September 2022.

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 18:50:05
+05'30'

(S.K.SIVAKUMAR)
Company Secretary

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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

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ISO 45001 : 2018

Nelcast Ltd reports Q2 FY 2023 Results

***Record Revenue at Rs 332 Crores, up 37% YoY and 11% QoQ;
EBITDA grew by 81% YoY and PAT by 261% YoY in Q2 FY23***

Chennai, India, November 02, 2022 – Nelcast Ltd (referred to as the “Company”; NSE Symbol: NELCAST, BSE Scrip Code: 532864), a leading producer of Ductile and Grey Iron castings in India, announced its financial results for the **Second quarter ended September 30, 2022**.

Commenting on the performance Mr. P Deepak, Managing Director & CEO, said “I’m pleased to share that we continued with our growth momentum and reported record revenues for the third consecutive quarter. Our total revenues grew by ~11% quarter-on-quarter and 37% on a year-on-year basis. On the export front, the company recorded a revenue of Rs. 82.8 Crores this quarter and Rs. 155.3 Crores in the first half of current fiscal. Given our growth trajectory and with most of our new launches currently in the final ramp up stage, we expect to achieve our target of Rs. 300 Crores of revenue from exports by FY23.

We further saw a consistent improvement in EBITDA and EBITDA/kg on the back of strong demand and softening of raw material prices. EBITDA/kg for the quarter surpassed our guidance for the current year and stood at Rs. 13.5. This further affirms our belief of reporting an EBITDA/kg of Rs. 12 for FY23, as guided in the past.

Moreover, we are on track to meet our guidance of 90,000 Metric Tons in FY23 as we sold 22,090 Metric Tons in Q2FY23, and 42,248 Metric Tons in H1FY23.

Looking forward to FY23, we see strong demand coming in from the M&HCV & Export segments, however, tractor segment might face a slight slowdown as seasonality kicks in, in the second half of FY23. Overall, in terms of revenue, we expect performance in Q3FY23 to be largely in-line with Q2FY23 followed by a stronger performance in Q4FY23, on the back of new launches in the export market.”

Consolidated Performance Highlights

(In Rs. crores, unless otherwise mentioned)

Particulars	Q2 FY23	Q2 FY22	YoY Growth	Q1 FY23	QoQ Growth	H1FY23	H1FY22	YoY Growth
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 (in INR)	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

Q2FY23 Financial highlights

- **Total Revenue was at Rs 331.7 Crores, a 37.0% YoY growth**
 - The growth was due to increase in volumes (22,090 Tonnes in Q2FY23 vs 19,277 Tonnes in Q2FY22) and better realization due to increase in exports and growth in the Commercial Vehicle segment.

- **EBITDA grew by 81.1% YoY and 29.1% QoQ to Rs 30.1 Crores; EBITDA margin at 9.1%**
 - The rise was due to sales volume increase, softening of raw material cost and the benefit of pass through of raw material price increases
 - This further resulted in the EBITDA/kg surpassing the FY23 target of Rs. 12 for the second quarter in a row
- **The bottom-line stood at Rs 12.2 Crores, up by 261.2% YoY**
- **Segmental Revenue**
 - In H1 FY23, the largest share was contributed by M&HCV making up 35.9% of the total revenues, followed by Tractors – 34.0%, Exports – 25.0%, Off-highway equipment – 1.8%, Railways – 3.0% and Others – 0.3%
 - In H1 FY22, M&HCV contributed 26.5% to revenues, which was actually led by Tractors – 39.4%, Exports – 26.7%, Off-highway equipment – 2.8%, Railways – 4.4% and Others – 0.2%

Key Developments in Q2FY23

- Tractor segment performed well on the back of good production numbers. Expected to show moderate growth in FY23.
- M&HCV segment strengthened in Q2 and is expected to record around 20% growth this year.
- In exports, most of the new product launches that are expected to hit the market in January 2023 are in the final ramp up stage. Export demand remains strong and is expected to get stronger with new product launches in FY23.
- Received two awards – ‘Extraordinary Support’ from Tata Motors and ‘Excellence in New Product Development in Castings’ from Automotive Axles.

About Nelcast Ltd

Incorporated in 1982, Nelcast manufactures grey and ductile castings for the M&HCV and tractor industry segments. Around 25% of its overall revenues is also generated from export markets. Key products supplied to its M&HCV clients include differential carriers, differential cases, bogie suspension brackets, and conventional brackets, among others. For the tractor segment, the company’s major products are transmission casing, centre housing, axle housing and hydraulic lift cover. It also supplies base plates and brake discs for metro rail projects and the railways respectively. Nelcast has an aggregate installed production capacity of 160,000 tonnes per annum. Its factories are located at Ponneri in Tamil Nadu, and at Gudur and Pedapariya in Andhra Pradesh.

Contact Details

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For further information on Nelcast Limited, please visit www.nelcast.com

Safe Harbor

This release contains statements that may contain “forward-looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Nelcast Ltd future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Nelcast Ltd undertake no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.