



30<sup>th</sup> October 2023

**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**

**(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 Madal, Nellore Dist - 524402. (A.P.)

IATF 16949 : 2016 \* ISO 14001 : 2015 \* ISO 50001 : 2011



ISO 9001 : 2015

\*

OHSAS 18001 : 2007

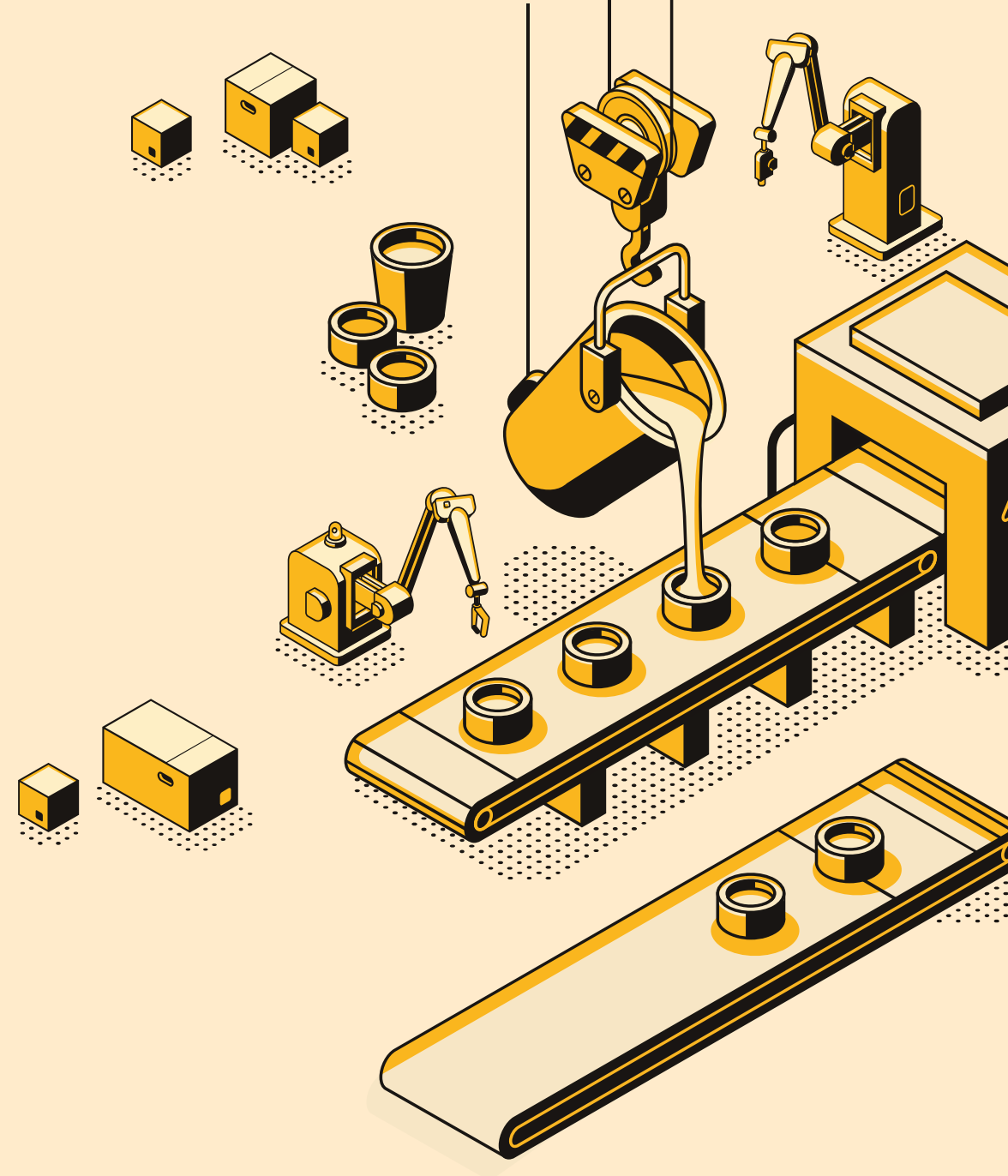
**NELCAST**  
LIMITED



# Investor Presentation

October 2023

BSE: 532864 | NSE: NELCAST | ISIN: INE189101024  
[www.nelcast.com](http://www.nelcast.com)



# Q2 & H1FY24 Highlights

Key Developments & Outlook 03

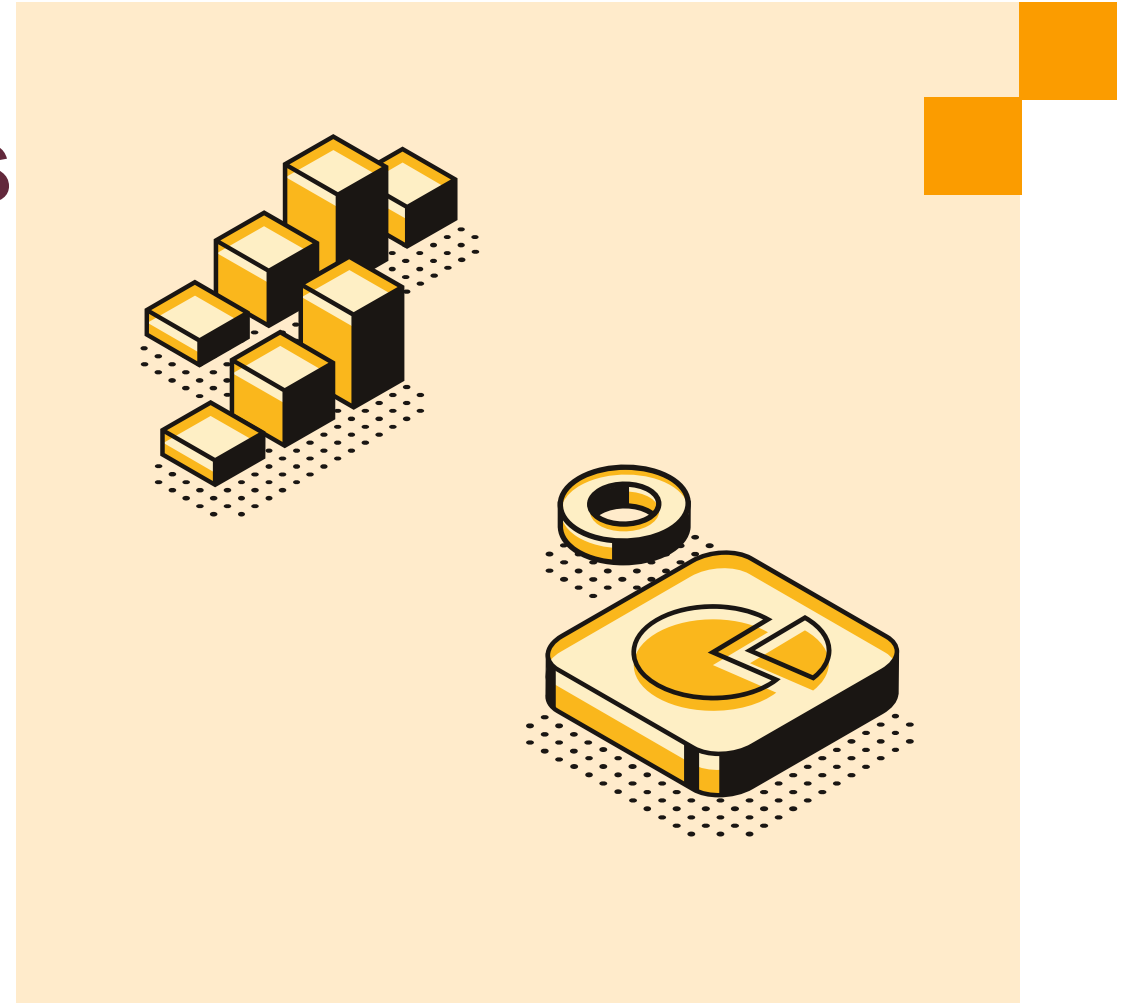
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Profit & Loss Highlights 04

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Story in Charts 05

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# Key Developments & Outlook

PARTICULARS	CURRENT (Q2 FY24)	OUTLOOK (H2 FY24)
Overall Performance	Significant improvement in revenue; growth was driven by increased demand in M&HCV and exports.	Going forward, performance will be driven by strong demand in M&HCV and exports.
Tractors	Performance remained subdued.	Expected to remain subdued in the next couple of quarters.
Medium & Heavy Commercial Vehicles (M&HCV)	Witnessed a steady growth.	Given monsoons are over, we expect to see good bump in tipper sales as infrastructure projects start kicking off.
Exports	<p>Best ever quarter as we crossed the Rs. 100 Crore mark for the very first time.</p> <p>Closed the quarter at Rs. 130 Crores, reported a strong growth of 58% YoY driven by continued strong demand.</p>	<p>Expect the UAW strike in the US to have a mild impact on our export performance in Q3FY24. However, we expect to maintain a steady growth on the back of our strong order book.</p> <p>The products that were scheduled to launch in the current year will only happen in FY25, given the OEM's decision to delay their model launch by six months. Therefore, we expect a significant boost in exports in the next financial year.</p>
EBITDA/kg	Witnessed an improvement in EBITDA/kg due to increase in revenue contribution from exports and normalization of raw material prices.	Going forward, we expect raw material prices to remain stable at the current levels.

# Profit & Loss Highlights

Consolidated (in INR Cr.)	Q2FY24	Q2FY23	YoY %	Q1FY24	QoQ %	H1FY24	H1FY23	YoY %
<b>Total Revenue</b>	362.6	331.7	9.3%	296.4	22.4%	659.0	631.2	4.4%
<b>EBITDA</b>	36.1	30.1	19.9%	23.0	57.1%	59.0	53.4	10.5%
<b>EBITDA Margin %</b>	9.9%	9.1%	87 bps	7.7%	220 bps	9.0%	8.5%	50 bps
<b>EBITDA/kg</b>	14.9	13.5	11.0%	11.7	27.1%	13.5	12.9	5.0%
<b>PAT</b>	16.6	12.2	36.9%	7.2	131.9%	23.8	19.9	19.6%
<b>PAT Margin %</b>	4.6%	3.7%	92 bps	2.4%	217 bps	3.6%	3.2%	46 bps

## REVENUE

**₹363<sub>CR</sub>**

Revenue growth was driven by good performance in M&HCV and exports.

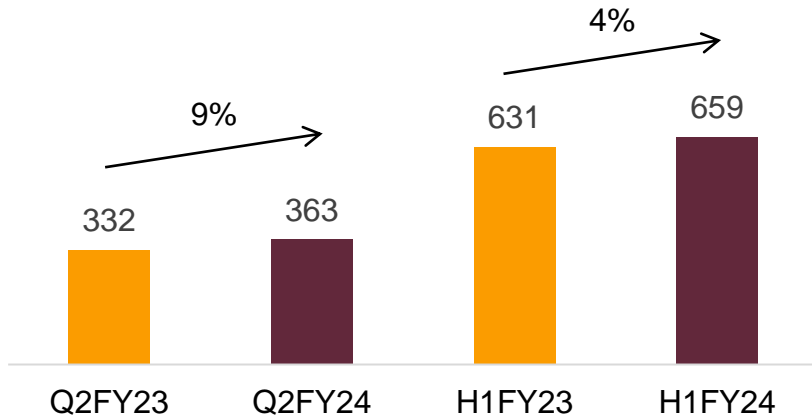
## EBITDA/KG

**₹14.9**

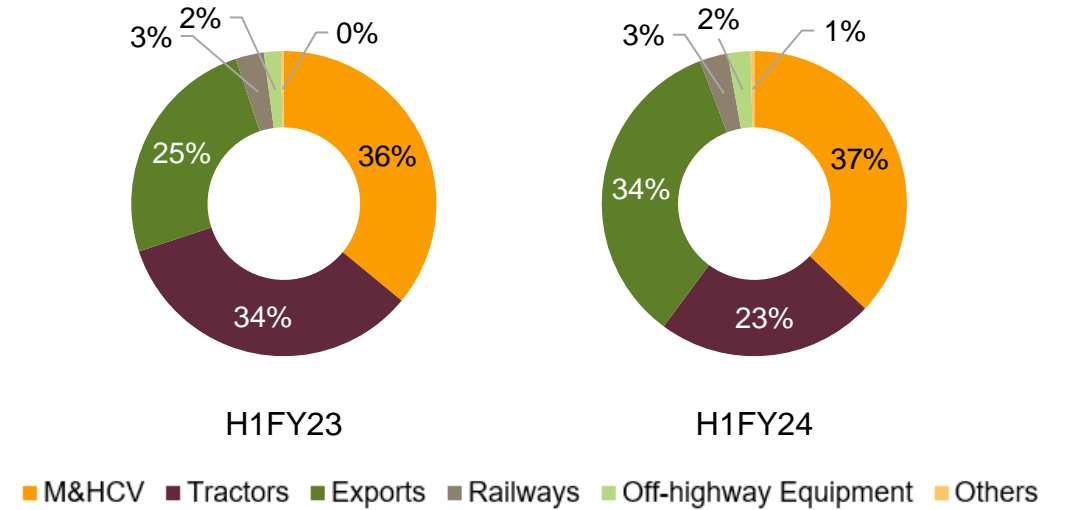
Significant improvement in EBITDA/kg due to increase in revenue contribution from exports and normalization of raw material prices.

# Story in Charts

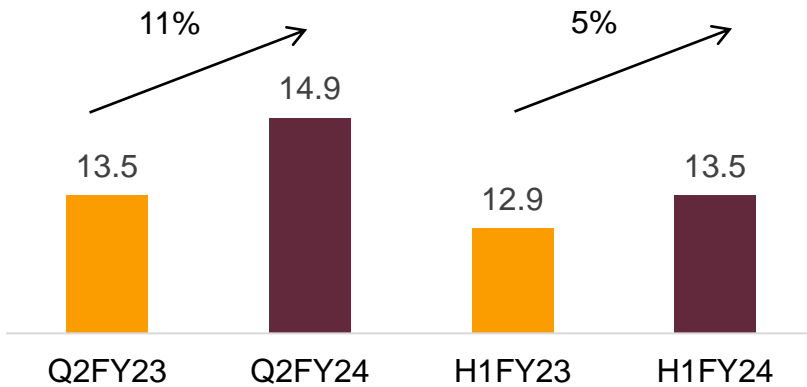
**TOTAL REVENUE (INR Cr.)**



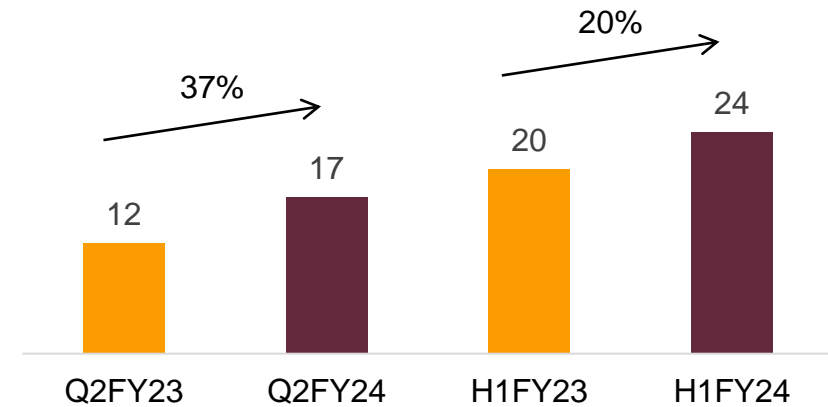
**SECTOR-WISE REVENUE (%)**



**EBITDA/KG (INR)**



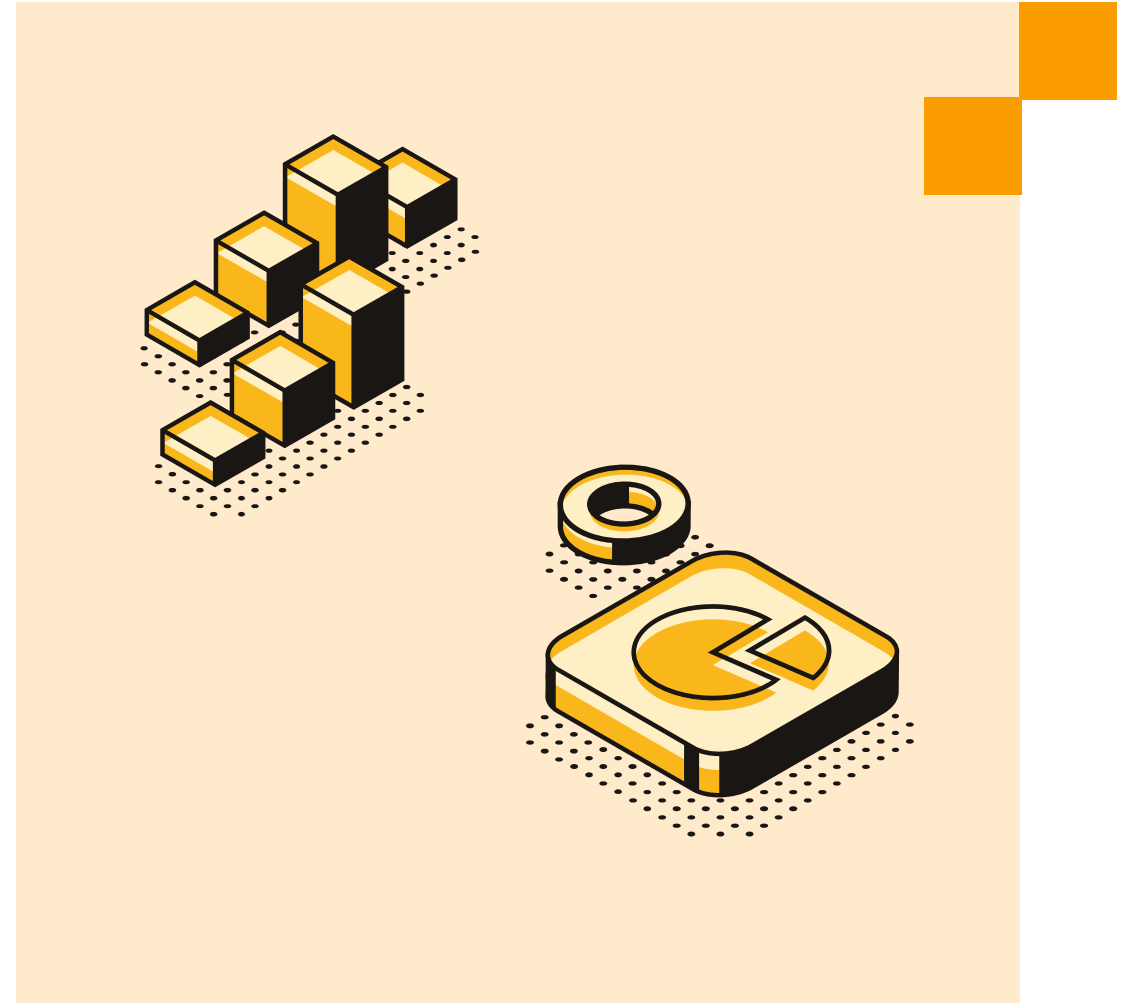
**PROFIT AFTER TAX (INR Cr.)**



# Way Forward

Deliver on our Existing Strategy

07



# Delivering on our Strategy

## Manufacture Value Add Products

- A decade ago, Nelcast shifted focus from highly competitive low complexity business to higher value-add products.
- Upgradation of manual moulding line process to fully automated state-of-art High Pressure Moulding Line.
- Increased product capability by installing a 2.1 x 1.2 m size line; becoming one of the very few casting companies in the world with such capabilities.

## Expand the Export Business

- Continue to deliver quality at competitive prices compared to local manufacturers.
- Expand the long-standing relationships by increasing business share on existing products & launching new products.
- Build new relationships and expand diversity in our geography & sector split.

## Improving Capacity Utilization Levels

- Eliminate operational inefficiencies and bottlenecks across plants.
- Continuous launch of new products.

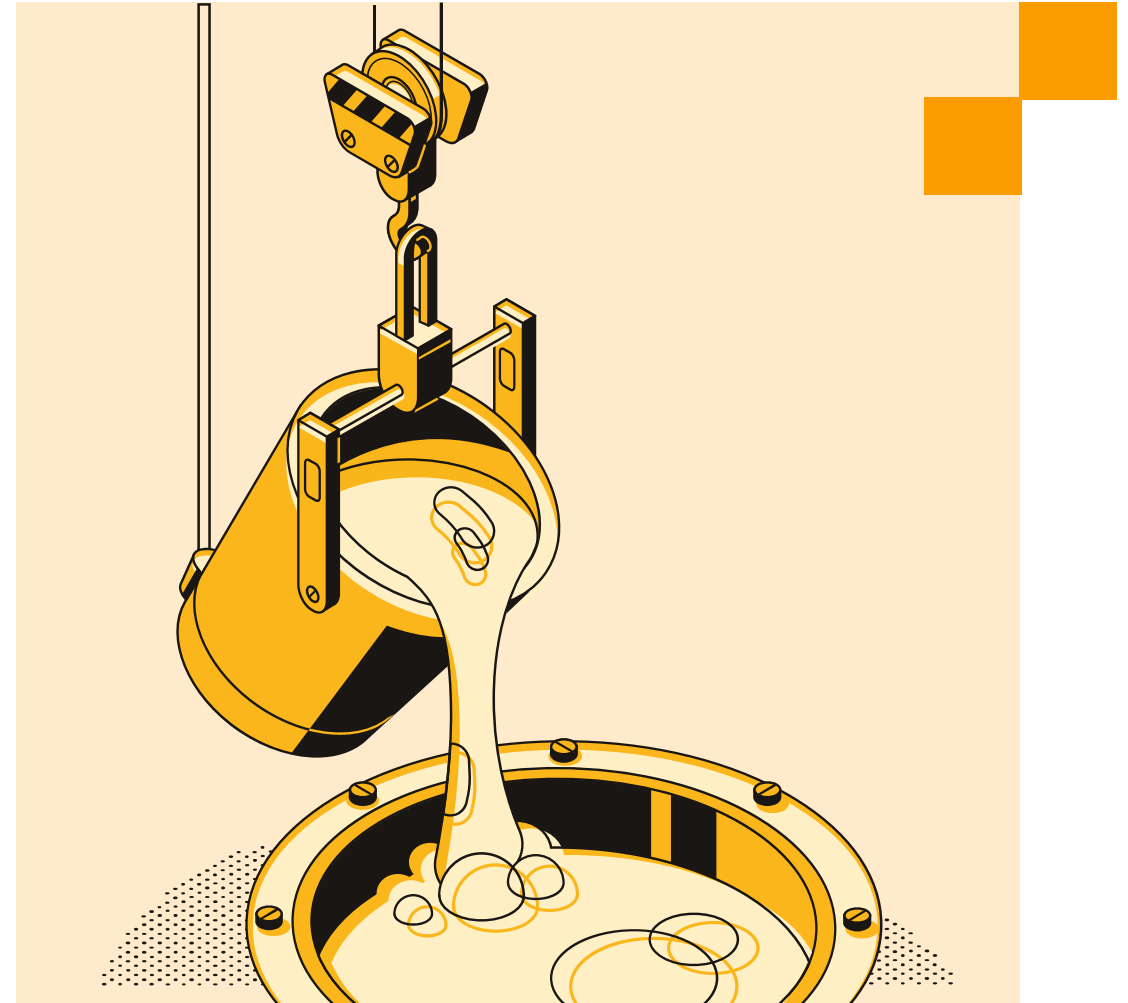
## Cost Optimization

- Better capacity utilization levels to help Nelcast achieve economies of scale, reduce the impact of costs and aid margins.
- Efforts ongoing in energy conservation & investments in renewable energy to control power costs.



# Company Overview

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# Company at a glance



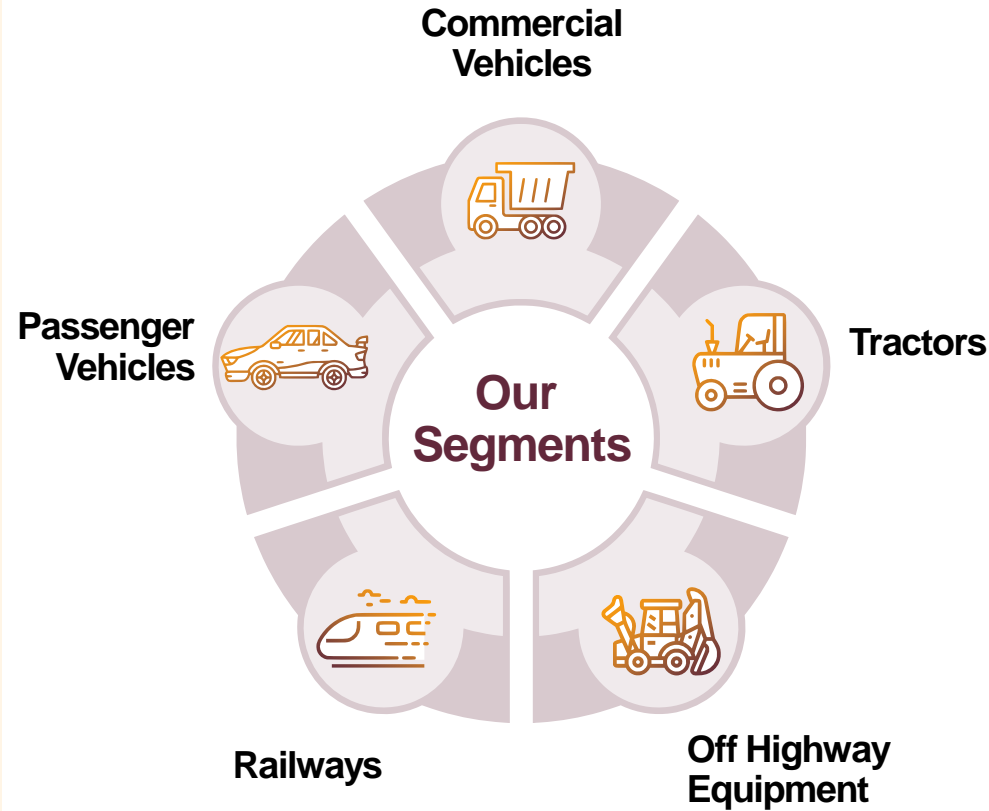
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



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



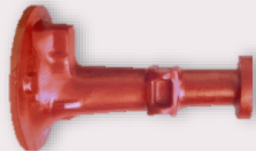
Bogie Suspension Bracket



## 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

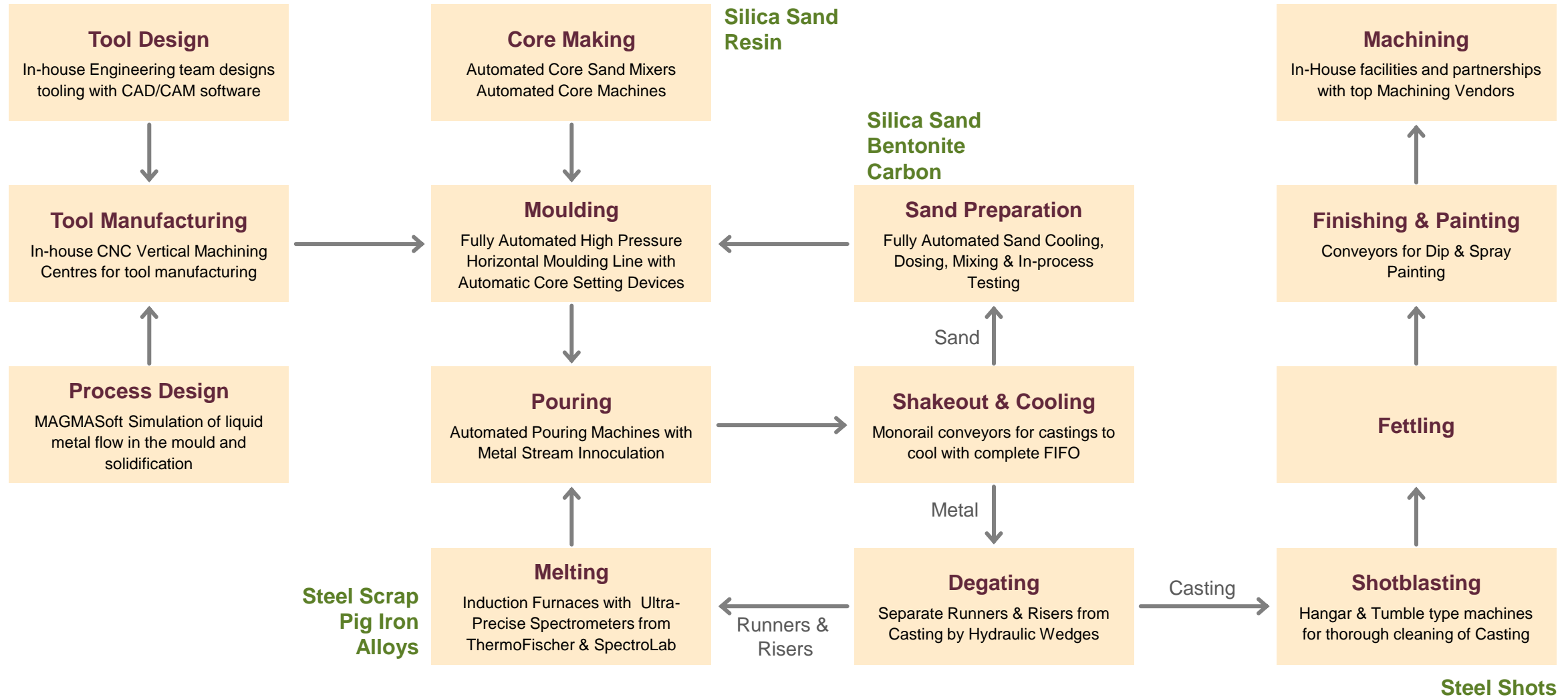


Differential Carrier



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.300 Crores mark in exports in FY23

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



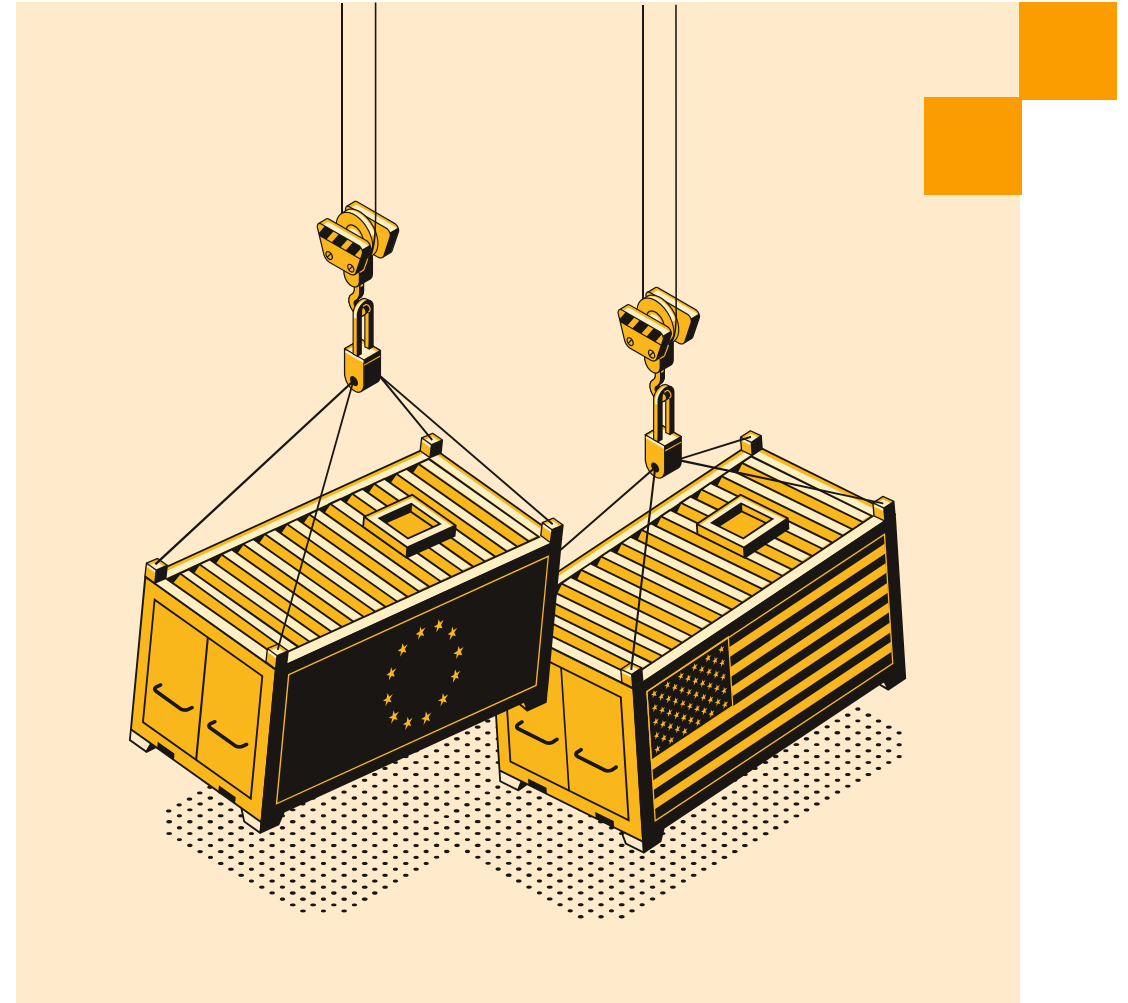
Awarded ISO 50001 Certification for Energy Management System



Modernisation of Unit-1 in Gudur with sixth High Pressure Moulding Line

# Why Nelcast?

Diversified customer base with strong relationships	15
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# Our Strengths



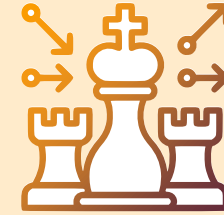
1

**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

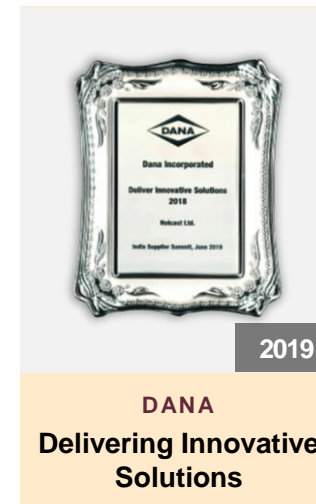
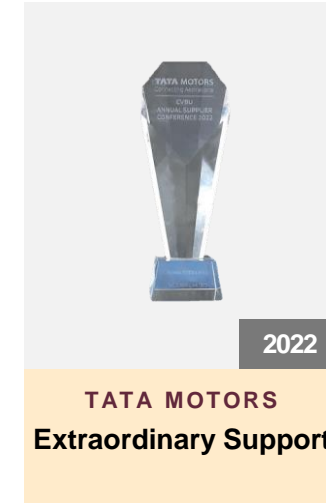
## Top OEM Customers



## Top Tier-1 Customers

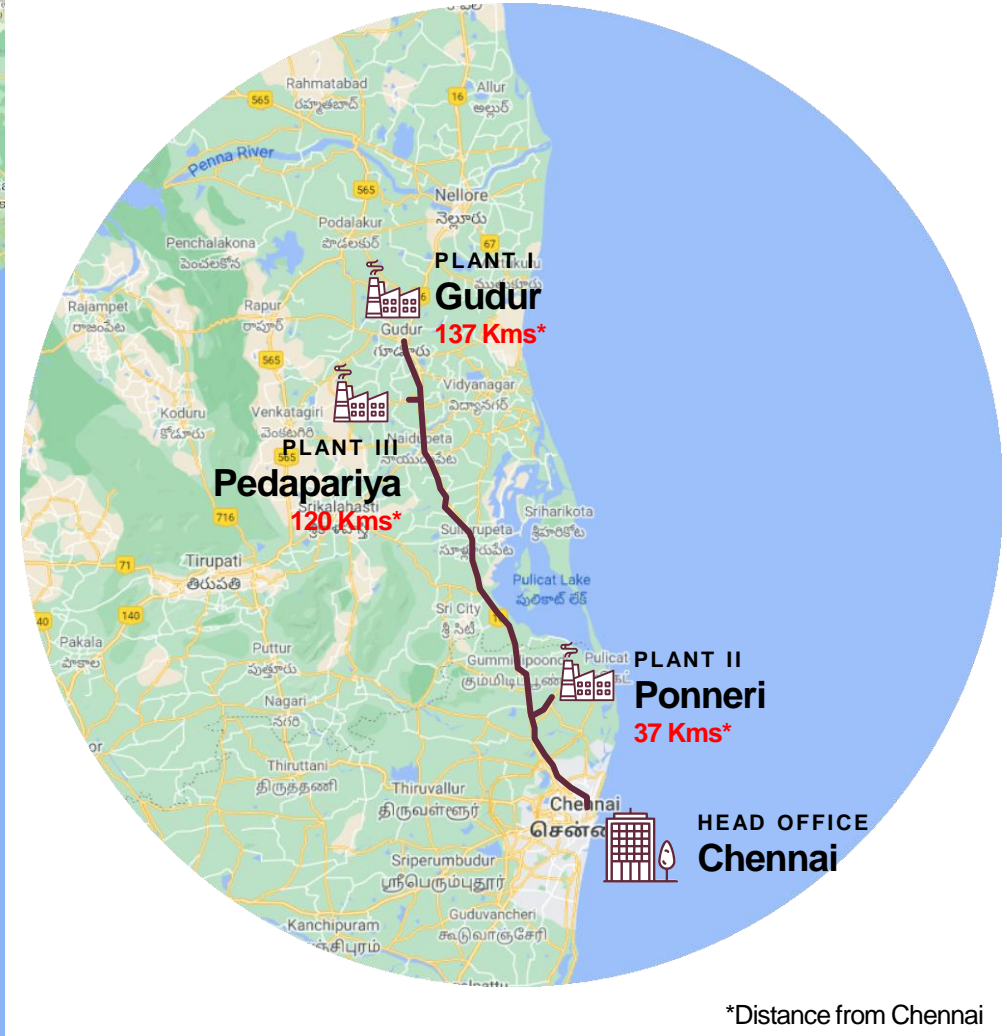
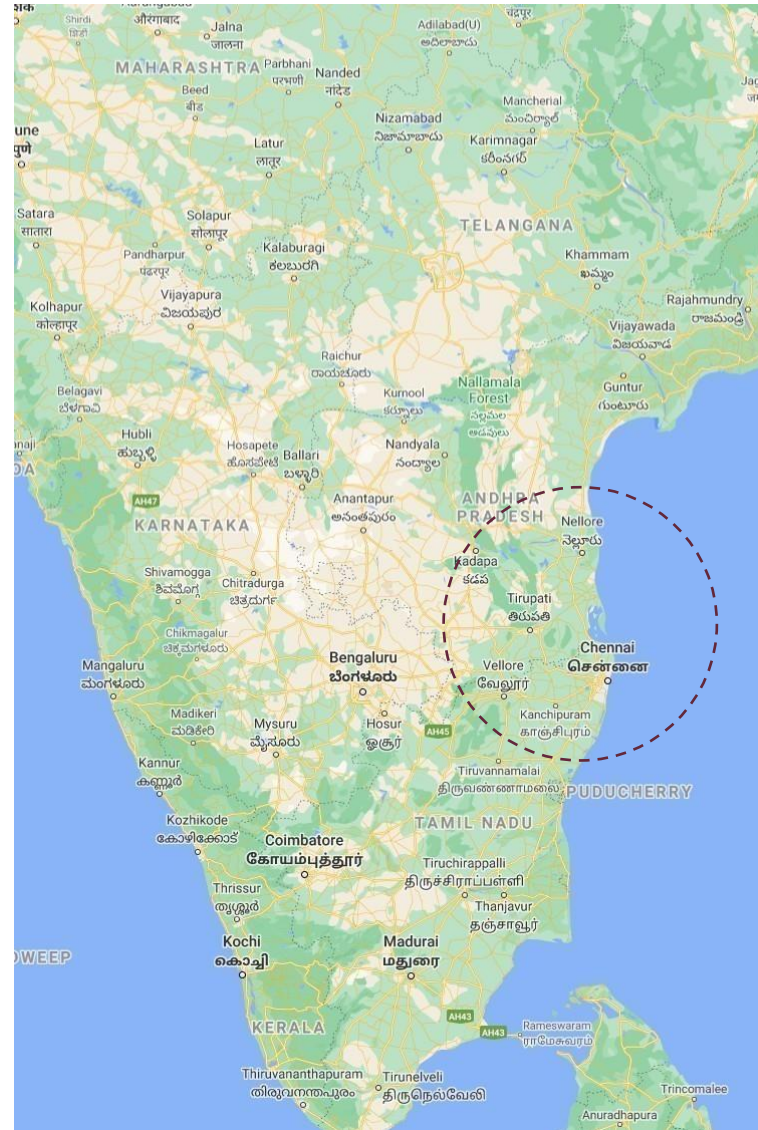


## Awards



## 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

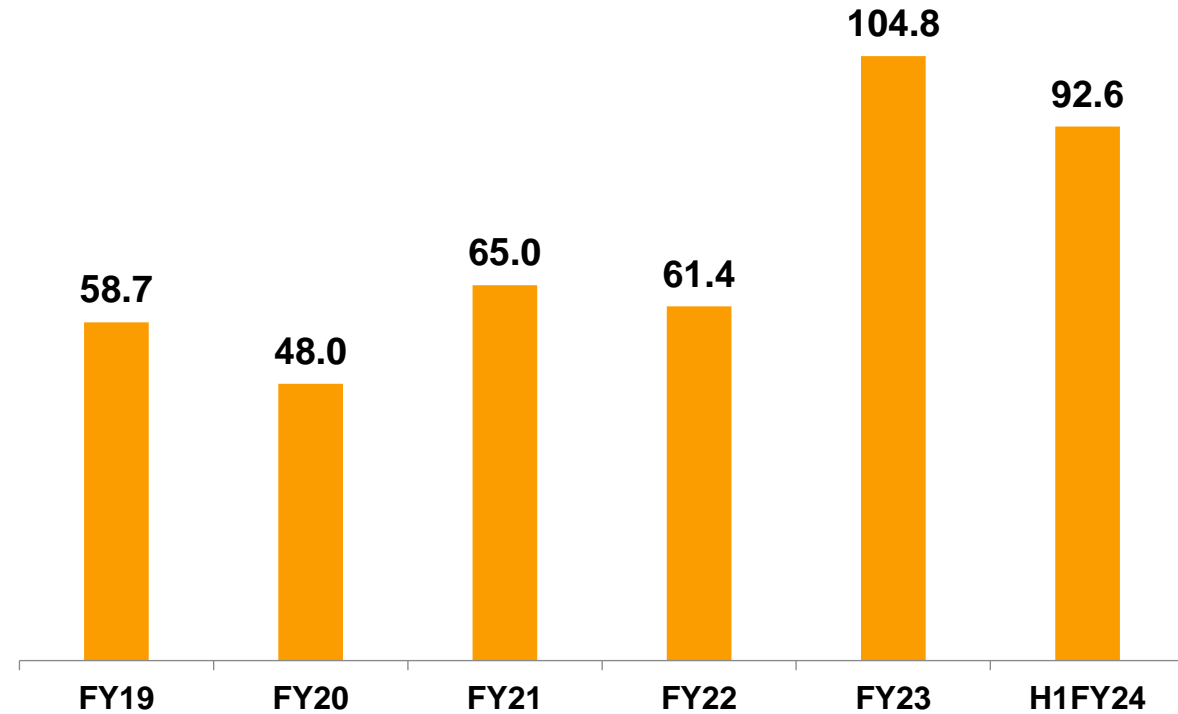


\*Distance from Chennai

# 3 Strong Business Foundation

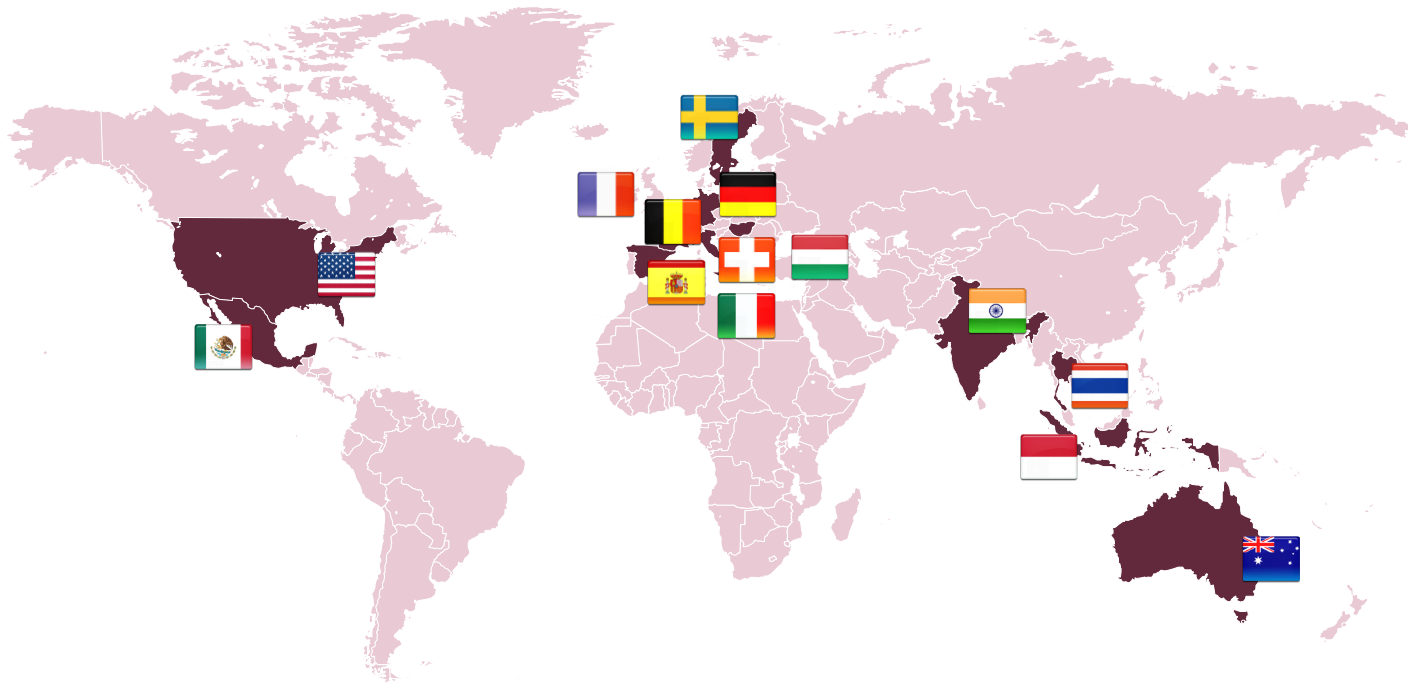
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within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

Cash & Cash equivalents (in Rs. Cr.)

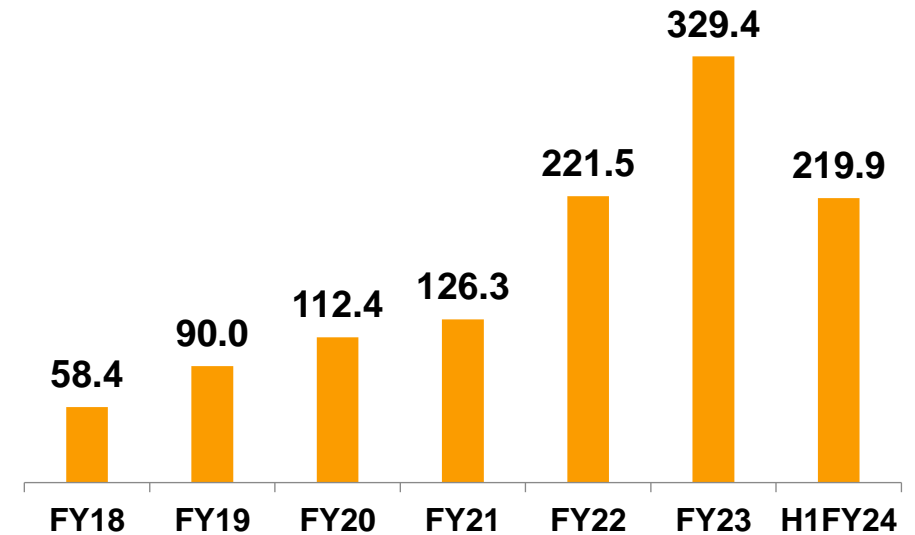


# 4 Strong Export Growth Potential

- 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.



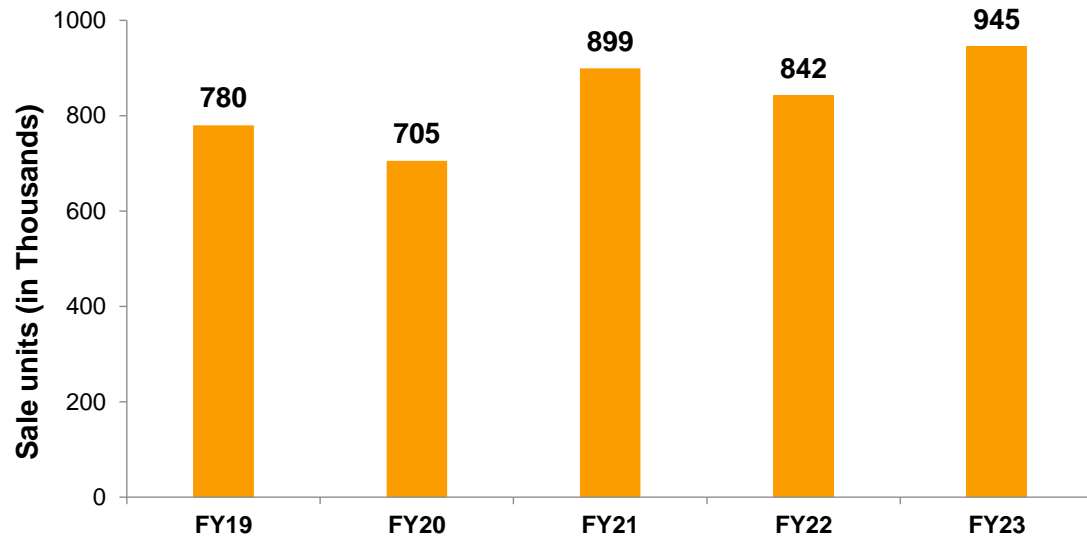
Revenue from Exports (in Rs. Cr.)



# 5 Large Market Opportunity

## Indian Tractor Industry

Industry volumes touched all-time high in FY2023; expected to remain stable

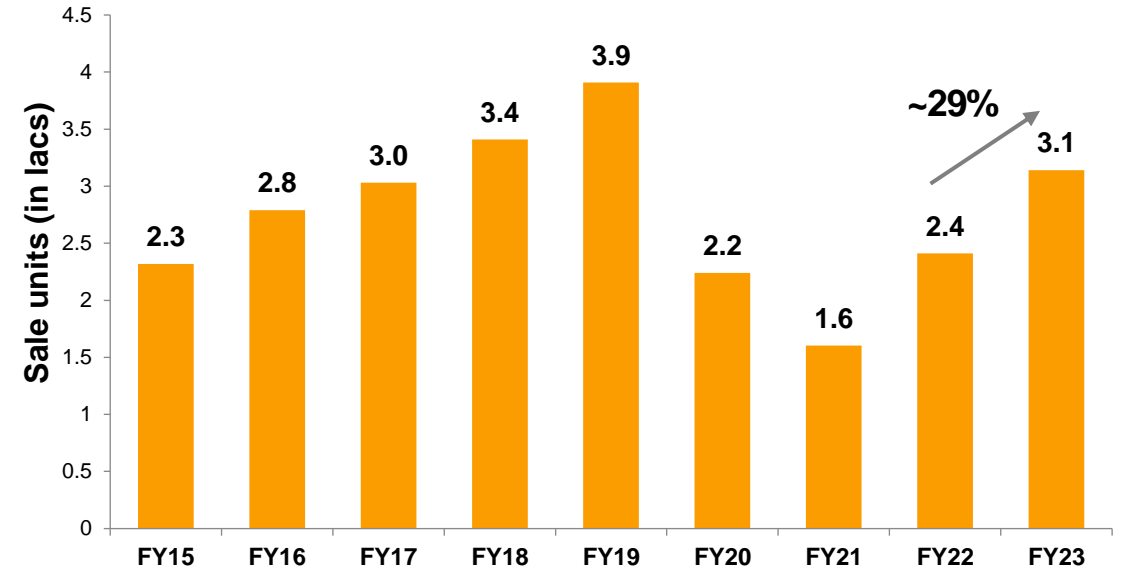


Source: Tractors and Mechanization Association

The tractor demand declined in FY22 due to delayed harvests and stagnant rural wage growth. However, the industry had a strong FY2023 driven by rise in minimum support prices which led to an increase in farm income, another year of above-average monsoon coupled with technological advancements.

## Indian M&HCV Industry

Domestic M&HCV sales crossed 300,000 units in FY2023



Source: SIAM, CMIE

The heavy-duty trucks observed strong growth with high demand for freight movement, following an uptake in construction and manufacturing activity.

# 6 Led by an Experienced Board



**D. Sessa 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

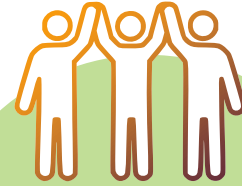
- **Renewable energy:**

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**

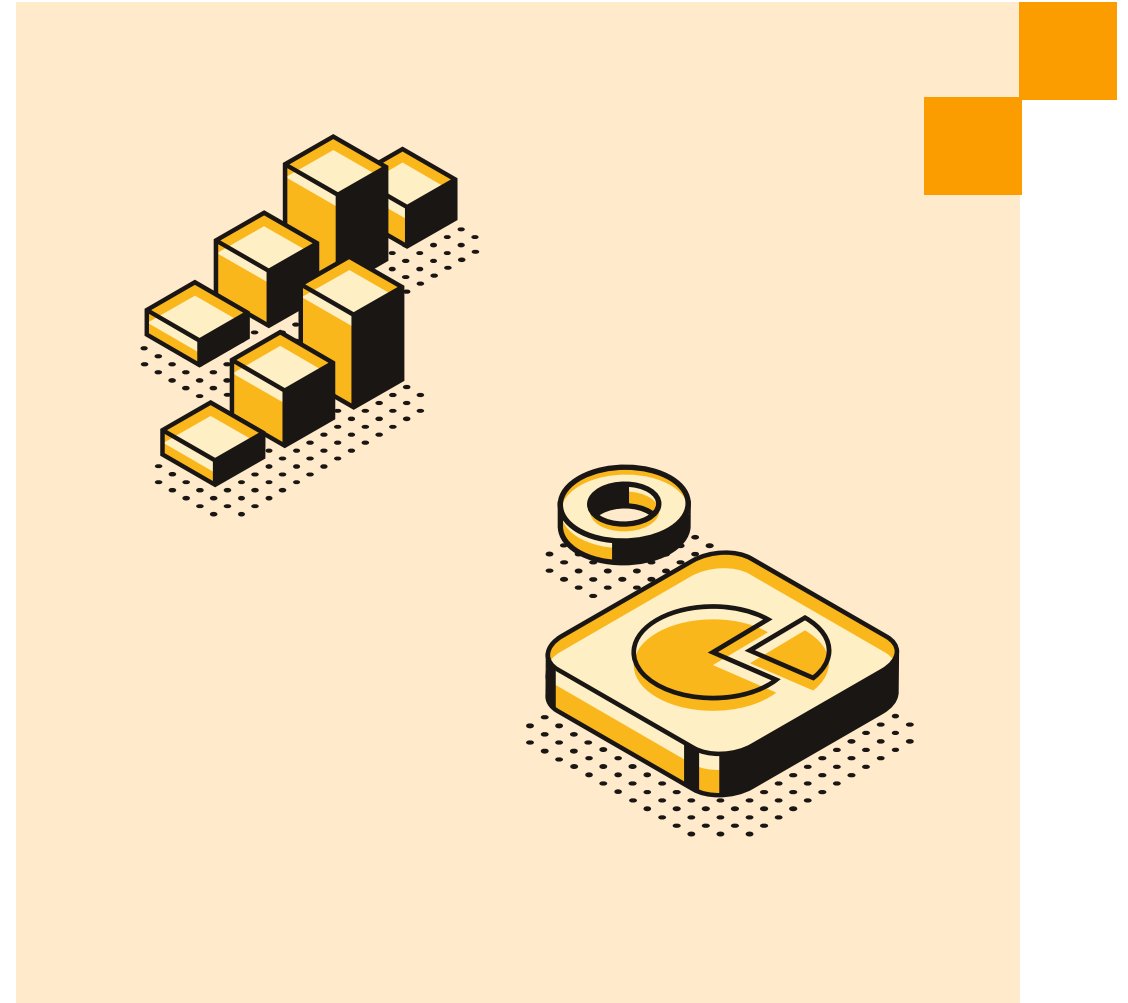
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



# Annual Financials

Profit & Loss Highlights 24

Balance Sheet Highlights 25





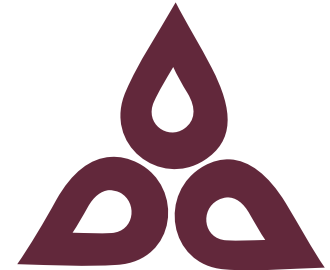
# Profit & Loss Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	856.27	566.76	614.97	927.34	1,263.97
Total Income	862.21	580.35	619.85	936.74	1,280.12
Total Expenses	804.49	549.55	607.56	917.69	1,239.80
<b>EBITDA</b>	<b>81.82</b>	<b>61.86</b>	<b>51.27</b>	<b>67.49</b>	<b>95.51</b>
D&A	17.47	18.53	21.74	22.62	24.01
<b>EBIT</b>	<b>64.35</b>	<b>43.33</b>	<b>29.53</b>	<b>44.86</b>	<b>71.50</b>
Finance cost	6.63	12.52	17.24	25.82	31.18
<b>PBT (after exceptional items)</b>	<b>57.72</b>	<b>30.81</b>	<b>12.29</b>	<b>19.05</b>	<b>40.32</b>
Total Tax Expense	19.28	(5.20)	3.25	4.83	10.58
<b>PAT</b>	<b>38.44</b>	<b>36.01</b>	<b>9.04</b>	<b>14.22</b>	<b>29.74</b>

# Balance Sheet Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
<b>Total non-current assets</b>	<b>430.65</b>	<b>474.03</b>	<b>474.28</b>	<b>483.96</b>	<b>488.10</b>
Inventories	141.59	128.14	118.41	158.73	158.19
Trade receivables	121.17	112.62	164.19	240.35	255.92
Cash & cash equivalents	58.65	48.0	65.04	61.39	104.80
<b>Total current assets</b>	<b>351.14</b>	<b>304.52</b>	<b>365.45</b>	<b>479.07</b>	<b>540.37</b>
<b>Total assets</b>	<b>781.79</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>
<b>Equity</b>	<b>397.86</b>	<b>422.89</b>	<b>432.80</b>	<b>444.39</b>	<b>471.11</b>
Long-term Borrowings	90.88	141.01	107.47	137.42	100.67
<b>Total non-current liabilities</b>	<b>137.80</b>	<b>174.50</b>	<b>144.50</b>	<b>178.36</b>	<b>144.74</b>
Short-term Borrowings	108.92	84.11	107.23	142.12	203.01
Trade Payables	106.29	80.58	127.96	180.59	182.68
<b>Total current liabilities</b>	<b>246.12</b>	<b>181.16</b>	<b>262.42</b>	<b>340.28</b>	<b>412.62</b>
<b>Total equity and liabilities</b>	<b>781.79</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>

**NELCAST**  
**LIMITED**



# Thank You

For further details please contact:

**S.K. Sivakumar**

Nelcast Limited

☎: +91 44 2498 4111

✉: [nelcast@nelcast.com](mailto:nelcast@nelcast.com)

**Sonia Keswani/Vikash Verma**

Ernst & Young LLP

☎: +91 8017393854

✉: [sonia.keswani@in.ey.com](mailto:sonia.keswani@in.ey.com)

✉: [vikash.verma1@in.ey.com](mailto:vikash.verma1@in.ey.com)

**Corporate Office**

159, TTK Road, Alwarpet, Chennai - 600 018

[www.nelcast.com](http://www.nelcast.com)