alicon

Casting the Future

20th November, 2026.

To	To
The Manager	The Manager
The Department of Corporate Services	The Listing Department
BSE Limited	National Stock Exchange of India Limited
Floor 25, P. J. Towers,	Exchange Plaza, Bandra Kurla Complex,
Dalai Street, Mumbai — 400 001	Bandra (East), Mumbai — 400 051
Scrip Code: 531147	**Scrip Symbol: ALICON**

Dear Sir/ Madam,

Sub: Transcript of Analysts Conference Call

We are enclosing herewith the transcript of the conference call with analysts, which took place on 16th November, 2026, after announcement of the Financial Results for quarter ended 30th September, 2026. The said transcript is also uploaded on website of the Company.

We request you to kindly take the above information on your record.

Thanking you,

Yours faithfully,

For ALICON CASTALLOY LIMITED

SNEHA UPENDRA SHUKLA

Digitally signed by SNEHA UPENDRA SHUKLA
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SNEHA SHUKLA
COMPANY SECRETARY

Alicon Castalloy Limited

Q2 & H1 FY2027 Earnings Conference Call Transcript

November 16, 2026

Moderator: Ladies and gentlemen, good day and welcome to Alicon Castalloy Limited Q2 and H1 FY27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mayank Vaswani from CDR India. Thank you, and over to Mr. Vaswani.

Mayank Vaswani: Thank you, Neerav. Good morning, everyone, and thank you for joining us on Alicon Castalloy Limited's Q2 and H1 FY27 earnings conference call.

We have with us on the call today, Mr. Sumit Bhatnagar, Group CEO, and Mr. Vimal Gupta, Group CFO.

Mr. Bhatnagar will begin by sharing his perspectives on the industry environment, the business performance, as well as the growth plans. Mr. Vimal Gupta will then take you through the financial and operational performance for the quarter and the half year.

Before we begin, I would like to point out that some of the statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings documents that have been shared with all of you earlier.

I would now like to hand over the floor to Mr. Sumit Bhatnagar. Over to you, sir.

Sumit Bhatnagar: Thank you, Mayank, and good morning, ladies and gentlemen. Thank you for joining us.

As I completed my two quarters after taking the charge, I am very glad to be here presenting to you the results of quarter two. Let me first begin with industry environment and the demand trends for the last quarter. The domestic automotive industry continued to demonstrate a healthy demand momentum. The industry comparison in our highlights show automotive market growth of around 19% in Q2 on Y-o-Y basis. Adjusting for the alloy price inflation, Alicon has grown by 24% Y-o-Y in Q2. This growth in tonnage and revenue reflects the contribution from customer programs as well as the underlying demand environment.

For Alicon, the encouraging aspect is that our domestic business continues to grow ahead of the market. This reflects our ability to capitalize on favourable industry conditions, the contribution from the new customer programs, our share of business with existing customers, and the increasing value of components being supplied. Our market share, especially in cylinder heads to Indian commercial vehicle business, is progressing very well, rising from about 13% in the previous financial year to 23% in H1 of FY27. We expect it to further increase gradually by the end of the current financial year. Several programs secured in earlier quarters are moving into serial production or scaling up with customer requirements. As these programs mature, we expect commercial vehicles to become an increasingly important contributor to our domestic business.

Our two-wheeler business has benefited from healthy industry demand and stronger offtake from key customers. Our strategy is not simply to pursue additional volumes. We are more focused on higher displacement platforms, more complex applications, and products that offer better value addition.

In passenger vehicles, our relationship with the leading OEMs continue to provide opportunities across conventional, hybrid, and electric vehicle platforms. We remain technology agnostic, with the objective of applying our

engineering and manufacturing capabilities across different powertrain architectures.

Talking briefly on the business results for the previous quarter. I am very pleased to share with you that the Q2 FY27 has been another milestone quarter for Alicon. We reported total income of Rs. 652 crore, which is the highest ever in a single quarter. The revenue increased 12.6% sequentially on a quarter-to-quarter basis and 50% on year-on-year basis. After adjusting for the impact of alloy price increases, the revenue grew 11.3% sequentially and 24% on year-on-year basis. For those who are also tracking the volume growth, I can share you that the tonnage increased around 15% sequentially and 19.3% year-on-year on a year basis.

What is particularly encouraging is that the growth is increasingly being supported by underlying business momentum. We are seeing higher customer offtake, a richer product mix, and a growing contribution from the new programs. The thrust towards higher complexity is visible in our value addition metric, which increased 13.4% sequentially and 22% year on year.

We reported a double-digit profitability growth as EBITDA increased 18% sequentially and 14% on year-on-year basis. While standalone EBITDA itself rose 31% on Y-o-Y basis. At the same time, continuing cost inflation across the commodities impacted by the war did constrain the profitability growth to some extent. We continue to take this up with the customers and seek compensation.

Alongside this, we are working on productivity and process improvements. There is still work ahead of us, but we are focused on ensuring that top-line growth translates into stronger and more sustainable profitability. In our previous interaction, I spoke about Reset, Refocus and Rebuild, and the priorities we had established for Alicon. Our objective is to create a more agile, efficient, customer-focused organization with greater emphasis on value addition, operational excellence, and returns on capital.

Let me take you through the developments in our business during the quarter and how we see the opportunities ahead.

Moving to the business development section, we continue to make encouraging progress in strengthening our customer portfolio and converting our order pipeline into production. The programs secured over preceding quarters are progressing well, and we are beginning to see their contributions reflection in our operating performance.

The quarter brought promising new business acquisitions. One important win is a major hybrid vehicle program. This business is expected to double our current revenue in hybrid vehicles, and we will continue to serve almost 100% of hybrid vehicle cylinder heads in India. This strengthens our presence in a segment where we are already well-positioned. We also acquired a new cylinder head business from a major Indian OEM in Western India.

In the tractor segment, Alicon has entered a non-automotive product category with an integrated cylinder head and air intake manifold. This is a new product category for Alicon and gives us an opportunity to apply our casting, machining, and engineering abilities in an adjacent application. These wins are important not merely for incremental revenue. They strengthen our presence on customer platforms and create opportunities for additional products and higher share of business over time. A key element of our strategy is to move progressively towards technologically advanced and value-added components, combining casting complexity with precision machining and higher engineering content.

Turning to our international business, the global automotive environment remains relatively challenging with uneven demand conditions across markets. Our Slovakia facility registered sequential revenue growth during the quarter, indicating early signs of recovery following the transition from certain mature programs that had reached the end of production cycles. We recently acquired a new business from a German carmaker for our Slovakia plant. We had also won an eAxle business from the same customer in the previous year. These programs are progressing through their development and production schedules. Our focus in Europe remains on strengthening the quality of our customer portfolio, enhancing technological capabilities, and improving the utilization of our manufacturing infrastructure. We expect the recovery to be gradual, supported by these new programs.

Alongside automotive, we are also developing our non-automotive business. We have established a dedicated business development focus for this vertical, with the objective of using our casting, machining, and engineering capabilities across adjacent industrial applications. Applications such as components for data centre cooling systems represent an opportunity to diversify our revenue streams. In addition, the new integrated cylinder head and air intake manifold programs for these tractor segments marks our entry into the new non-automotive product category. These opportunities are at different stages of development, and we will update you as they progress.

Now, coming to our manufacturing and operations. As our customer portfolio expands and new programs move into production, our priority is to ensure that we have the manufacturing capacity and operational capabilities to execute growth efficiently. We are critically examining our manufacturing process to improve process capability and automate critical operations. Our key focus areas are manpower productivity and process controls.

These efforts build on our broader work to improve productivity, optimize material flow, increase automation, and enhance utilization of our existing assets. We are also reviewing product and customer mix so that available capacity is increasingly directed towards applications that offer higher value addition and better returns. Our objective is not simply to increase production volumes. We want to generate greater value from the manufacturing infrastructure and capital already employed.

The work on our new plant at Pune, which we recently announced in the previous interaction, is on track. We expect to move into mass manufacturing by April 2027, as committed before. We are also critically examining future strategic investments, and we will update you from time to time as those plans mature. Our capacity expansion strategy will remain aligned with the customer requirements, efficient execution, and returns on capital.

A very quick brief on update on the Reset, Refocus and Rebuild strategy, which I did speak in the last quarter. On the Reset side, we have completed the organization restructuring with a clear focus on technology, talent, growth,

expansion, and governance. The Reset is intended to create the organizational strength and accountability required for Alicon's next phase. On the refocus side, we are examining every manufacturing process to improve process capability and automate critical operations. Our focus on manpower productivity and process controls is part of a broader effort to make our operations more consistent, productive, and efficient.

On the Rebuilding side, we are building the new plant at Pune with investments on track and mass manufacturing expected by April 2027. We are also evaluating future strategic investments. We will share further information as these plans mature.

Looking at the priorities and the outlook, looking ahead, in the second half of FY27, we remain encouraged by the momentum in our domestic business, the progress of new customer programs, and opportunities emerging across automotive and non-automotive segments. At the same time, external market remains uncertain, and demand trends may not be uniform across segments.

We will maintain a balanced approach to grow with continuous attention to customer requirements, cost competitiveness, and capital allocation. Our immediate priorities are clear. We want to execute the programs already secured, ensure timely production ramp-ups, improve operating efficiencies, and progressively strengthen margins.

We will continue to invest in the technologies, capabilities, and people required to support Alicon's long-term growth ambitions. As I have emphasized previously, our ambition is not simply to build a larger business. We want to build a business with higher value addition, stronger profitability, and sustainable returns on the capital we deploy.

The record quarterly revenue growth ahead of the market after adjusting for alloy inflation and the progress on the customer program gives us the confidence in the direction we are taking. Reset, Refocus and Rebuild remain central to this objective.

With that, I will hand over to Mr. Vimal Gupta, CFO, who will take you through the financial performance for the quarter. Thank you.

Vimal Gupta: Thank you, Sumit, and good morning, everyone.

I will briefly take you through our financial performance for the quarter and the first half, along with an update on margins, working capital, and capital allocation. Quarter two of FY27 was another milestone quarter for Alicon. Total income for the quarter stood at Rs. 652 crore, growing 50.4% year-on-year and 12.6% quarter-on-quarter. This marks the highest reported revenue in a single quarter in Alicon history.

For the first half, total income was Rs. 1,231 crore, up 44% year-on-year. Growth during the quarter was driven by strong trends in the domestic business. Sumit has already shared insight on the top-line growth due to high volumes and improved value addition, adjusted for pricing impact. Higher prices of input, especially alloy, have also contributed to the reported top-line growth. Overall, the performance reflects healthy business momentum and continued traction across our customer programs.

For Quarter 2 FY27, consolidated EBITDA stood at Rs. 65.3 crore, an increase of 14% year-on-year and 18% sequentially. EBITDA margin was 10% compared to 9.5% in the preceding quarter. Adjusting for the impact of higher aluminium prices, the EBITDA margin stood at 12.1%. Profit before tax increased by 26% year-on-year to Rs. 23.9 crore, while profit after tax grew by 27% to Rs. 17.6 crore.

The impact of higher input costs remains an important consideration. Aluminium prices increase are passed through to customers, although with a timeline. We are also addressing inflation across labour, energy, freight, and other operating expenses through a combination of price recoveries and structural cost improvements. Our focus is on translating higher business volumes and improved product mix into stronger profitability.

For H1 FY27, consolidated EBITDA increased by 11% to Rs. 120.6 crore, while profit after tax grew by 25% to Rs. 29.1 crore. The EBITDA margin stood at 9.8%.

As we progress through the second half, our priority remains to improve margins through better cost absorption, operating efficiencies, and the recovery of input cost increases. We are closely examining our manufacturing process across conversion cost, energy consumption, tooling, rejections, rework, and manpower efficiency in order to improve the underlying cost structure of the business.

We are also improving utilization of our existing capacity through better material flow, automation, and a higher value product mix. The objective is to drive a structural improvement in EBITDA margin, which will then have flow-through effect on profit, cash flow, and return ratios.

Turning to the balance sheet, our financial position remains comfortable with a net debt of approximately Rs. 322 crore, and net debt to annualized H1 EBITDA at 1.33 times. Working capital days stood at 34 days. Given the growth in business volumes and ongoing capacity investments, maintaining efficient working capital position and healthy cash conversion remains a key priority.

Coming to capital allocation, capex in the first half was about Rs. 70 crore, including the leasing of Rs. 40 crore against our full-year plan of about Rs. 150 crore. This includes some part of the budget of the new facility in Pune, where the investment is being phased in line with the secured customer programs. We are evaluating further capacity enhancement options in line with customer demand and OEM expansion plans. The capex will be funded primarily through the internal accruals.

The outlook remains bright, including the order wins of the quarter. Alicon's executable order book stands at about Rs. 6,700 crore as on 30th September, covering the period from FY'26-'27 up to FY'31-'32.

Looking ahead, we reiterate our guidance of 12% to 15% material adjusted growth of FY27. While we remain watchful of any moderation in demand, we will strive to capitalize on attractive opportunities.

With that, we can open the floor for questions.

Moderator: Thank you very much. First question is from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL: Congratulations, sir. Thank you for the opportunity. H1 PBT of Rs. 42 crore, a 23% growth is a very good performance. My first question was on the orders. You have received three orders from three customers in Q2. Can you indicate the approximate lifetime order size? Also going forward, out of the Rs. 6,700 crore pending order book, if you can indicate any major order executions that are expected to commence in H2 of FY27 and FY28? Thank you.

Rajiv Gupta: Okay, so coming to the quarter 2 business order booking, we have added eight parts from three customers. Around 95% of the business is from the passenger vehicle and 5% is from the non-auto. Yearly sales realization will be around Rs. 270 crore at the peak with these businesses. Annual. Over a period of, say, six years, this will give us roughly around Rs. 1,000 crore.

Raghunandhan NL: Noted, sir. Rs. 270 crore is a large revenue number. If I take it as a percentage of last year's revenue, that is directly adding more than 10% to the revenue. So, it is a large order. If you can indicate the broad timeline when the execution of the order will commence?

Rajiv Gupta: Yes. Majorly, we will be in 2028-2029, because there is a lead development lead time, which you know very well. So, 2028-2029, we will be hitting near about 70% of the volumes.

Raghunandhan NL: Wonderful, sir. Any colour in the near term, that is second half and next year, any major orders which we should see the commencement of execution and addition to the revenue?

Rajiv Gupta: Yes. In this list, definitely one is, I cannot name the customer names, but yes, there are projects in EV, which we have done with a leading global OEM, that is now going in SOP. Similar is for the global commercial market, that is for Europe and U.S. both. So, even those projects is going into SOP in the next quarter. So, that will be adding up to the numbers. Few is definitely what we have added recently, is for the commercial and passenger vehicle segment for Indian big OEMs. So, parts are in development, and it is a quick realization to sales.

Sumit Bhatnagar: Sure. Raghu, I think while you asked a question on how much would be the sales realization out of the new projects in this second half and the next financial year. As of now, I can tell you that around 25-to-30-part numbers are going to be newly going to SOP, from now until next one year of time. It is difficult to quote exactly how much revenue they will generate in the first year of coming in, because there is always a ramping up. But I can really say with lot of confidence that 30 new part numbers or new products will be into the market in next one year of time from now.

Raghunandhan NL: Noted, sir. Thank you very much for that, and that gives lot of confidence on the future outlook going forward. My second question was on export. Export, you said that there is initial signs of improvement, which we can see in the numbers. Export is at 13% share of revenue in Q2, and with that SOP of certain projects on the electric passenger vehicle side and the global CV side, how do you see this share of revenue for exports improve, say, by end of FY27 and in FY28?

Rajiv Gupta: This we see end of FY27 to be near about 18% to 20%, and further 2%, 3% add-on in the subsequent years.

Raghunandhan NL: Wonderful, sir. Good to hear that. Basically, by second half of FY28, it should go back to the previous levels in terms of the revenue contribution. Sir, on H1, some housekeeping question. Trying to understand what will be the revenue share of two-wheeler, PV, and CV in your revenue mix, and if you can also share that what is the revenue share of EV and hybrids, which you track as a percentage of revenue mix.

Rajiv Gupta: Yes, if I talk segment-wise, two-wheeler were near about 40%, passenger were near about 36% to 38%, commercial was near about 18%, and rest were non-auto. And if you talk about EV and hybrid specific, EV were near about 4% to 5%, and hybrid was near about 6% to 7%.

Raghunandhan NL: Noted, sir. And what would be the machining share?

Rajiv Gupta: The machining share is around 68%.

Moderator: Thank you. Next question is from the line Kashish Shah from Sushil Finance. Please go ahead.

Kashish Shah: Yes, thank you for the opportunity. Firstly, sir, congratulations on the strong revenue growth in Q2 FY27. As you said, it was 19% volume growth this year. I just wanted to know where did this 19% come from?

Sumit Bhatnagar: Okay, so thank you for asking this question. I think I also said that we grew 10% additionally in commercial vehicle segment. Just to tell you, this business was very, very low until last year. There were few new developments which we had completed by end of the previous financial year, and they have begun to grow now. Most of the volume growth came from here. There are also some positive growth which has happened in our share of business with some of the customers, which has further given us a higher volume. Other than this, there are some deemed exports. When I say deemed exports, which are the products manufactured in India and exported by the customer, which are based out of South India. There was a massive growth in their numbers, which has also contributed to a positive volume growth in our numbers. While it is not comparable to the market growth, that is a clear volume growth to Alicon, which is in the deemed growth, while it is a domestic sale. There are two such customers, both based out of Chennai, but all these products go to the European or the U.S. markets.

Kashish Shah: Great. Okay. And sir, H1 revenues were almost around Rs. 1,225.6 crore. Do you wish to revise the revenue guidance of Rs. 1,950 crore of FY27?

Sumit Bhatnagar: I think Vimal did mention a little bit about that in his speech. We are looking definitely for a better revenue in this financial year. Always, in automotive industry, Q3 generally has a lot of customer slowdowns and shutdowns. So generally, it is not a very aggressive quarter, but quarter four is very aggressive. We are looking for a revision to this for sure.

Overall, like Vimal has said that adjusted for alloy, because the sale increase which has happened because of the alloy increase, we do not call it as a true growth. So, adjusting for it, we are looking for at least a 12% to 15% of growth

over the previous year. I think this is what it is right now, around 15%, adjusted for alloy.

Kashish Shah: Okay. Great. How do you see the commodity trends for the remainder of FY2027, and what could be the revenue growth outlook next year, considering the commodity prices?

Vimal Gupta: On the commodity side, our main raw material is the aluminium. Now we are seeing some softening in that, because there is a big supply that started from Vietnam, Indonesia. We believe that in the month of Because already we have seen some price decrease in the month of November and December, we are expecting further decrease. Hopefully, there will be a decrease of approximately 20% to 25% overall in the next We compare from September till December. Within a quarter, 20% to 25% decrease we are expecting.

Kashish Shah: Great. Sir, what percentage of raw material price inflation were we able to pass on this H1, full H1?

Vimal Gupta: That is 100% we do.

Kashish Shah: Fully it was passed on. My another question is, since our new plant is commissioning from FY28, so 2027, what revenue growth outlook do we have for '28?

Sumit Bhatnagar: See, usually, as a plant starts, it goes into the ramping up stage. I think the revenues which we are looking from the first year is going to be around, we can expect about Rs. 120 crore to INR150 crore coming in the first year from the new plant, in the first year.

Kashish Shah: Okay, so around 10% or considering, not 10%, 11%.

Vimal Gupta: Yes, the first year, because it will be a ramp up. But the real numbers you will see from FY'28-'29.

Kashish Shah: Great. Sir, coming back to the margin, on the operating margin, EBITDA margin, historically we have been operating at around 12%. When do we expect to

regain this margin levels? How confident are we of achieving a margin of 14% to 15% for FY30?

Vimal Gupta: First come to the original number of 12%. If you see that, because all these numbers what we are seeing that is based on the alloy price impact. When we look for the adjusted alloy, 12% definitely we are going to hit in this year also. After this, there is expectation at least that I say around 1% minimum growth improvement in the margins year-on-year basis.

Kashish Shah: Great. So, we can achieve 14% to 15% in FY30?

Vimal Gupta: Yes. Yes, exactly.

Sumit Bhatnagar: I can tell you this is something we are striving for, and that is a key goal we take as a company.

Kashish Shah: Okay. Great, sir. Sir, on a Illichmann part, when do we expect EBITDA level profitability, Illichmann Castalloy?

Sumit Bhatnagar: Are you saying that when do we break even or do better in Alicon?

Kashish Shah: Yes.

Vimal Gupta: This year, though definitely that we explained it is challenging because there is a business overlapping means the earlier business is closed and the new business is going to take a little bit time. Next year, definitely it will be positive.

Kashish Shah: Next year? Okay, great. Sir, one on a non-auto part. So non-auto segment, particularly data centre and defence, when do we expect this business to start contributing meaningfully the revenues?

Rajiv Gupta: The data centre projects, what we have already added, it is going to go in SOP in March next year. Yes. So, yes, at this moment, what we expect still around 2%, I mean, roughly around Rs. 3 crore-Rs. 4 crore of sale we can still do, which we are aiming at a higher side. But next year, this will be going into ramp up. The good thing is the parts which we develop, they are going to, at this moment, cater to India as well as the European numbers. But there are highly chance that we get an additional opportunity to add the Mexico location. So, we see a

momentum of increasing these numbers. What at this moment we see that we can increase our sales to near about around Rs. 15 crore to Rs. 20 crore in next year. So, this is on the data centre.

Coming to the other portfolio, non-auto, as we have added also businesses this quarter from a leading non-auto off highway, particularly it is a tractor segment. The thing is, these are the critical parts which Alicon is doing since ages, and that too with an advanced technology on that front. We are aiming to bring this in SOP very soon in next five months. This will further add to our portfolio. We are aiming near about Rs. 12 crore-Rs. 15 crore yearly sale add-on with such businesses starting from next year.

Kashish Shah: Great. Sir, one question is from the CV business. How is this business with CV OEM shaping up, and what is the demand outlook from the segment?

Sumit Bhatnagar: I will tell you one thing. See, in commercial vehicle, there are not many players in the country who are into high-volume commercial vehicles. Traditionally, our presence with those customers was very limited, and it was hardly contributing or making any meaningful growth into Alicon's pie. This is something which I have said we have now changed. We have got some immediate businesses from these OEMs where the businesses are running models, and the tools have been offloaded to Alicon to get into mass manufacturing. We have done a very good job in this, and that is the reason it has already begun to appear into our top line as well as bottom line. This further grows. We have now begun to get regular RFQs from this customer. We definitely believe CV business will go very, very positively from here. Commercial vehicle is not only limiting to the Indian market. Incidentally, at the same time, we are also getting very good traction from the U.S. market. With the existing customer, there also we are getting much many more opportunities which will begin to shape up into clear commercial numbers in next one or two years of time.

Kashish Shah: Okay. Sir, just coming actually one volume part. Volume growth was 19% right now, and we are expecting 12% to 13%, is it?

Sumit Bhatnagar: Yes, sorry, can you say that question again?

Kashish Shah: Sir, just going back to the volume part, we had a 19% volume growth this quarter, H1.

Sumit Bhatnagar: Okay, you are saying the tonnage growth.

Kashish Shah: Yes. We are expecting 12% to 13% tonnage growth, is it?

Sumit Bhatnagar: It would be definitely higher than that. I am not very sure to say that it is going to go further up from here. But definitely, we are looking at around 15% tonnage growth still from where it is on a Y-o-Y. On a Y-o-Y basis, it could be actually much higher. But overall, for the year, we are looking at around 15% plus kind of a tonnage growth overall for the year, H1 and H2 put together.

Vimal Gupta: Kashish, mainly thing is that maybe you know that Q3 is little bit on the downside. We have taken that impact. But what Sumit has explained, Q4, we have a huge volume. We are expecting a good growth, but we are conservative. I think we are extra cautious, we can say.

Sumit Bhatnagar: Because I can only tell you, of course, we will do everything to even take this number further up. But to say that with 100% confidence in such kind of markets is never an easy task. I can only tell you that you will see some very positive response from our side on this.

Kashish Shah: Great. I got it. One last question. I just wanted to know what beyond FY2030, specifically from a top-line point of view.

Sumit Bhatnagar: These are some of the things where we are very strategically working on. Maybe I will skip this question in this meeting because it is a very strategic number, and definitely, I just do not want to throw a number in the meeting. But I think the moment we have very much clarity on this thing, we will definitely share with all of you together.

But I can only tell you that, yes, we are working on some very aggressive plans and soon will be able to share with investors on what exactly we aspire to achieve in next four to five years of time. But we will really make a good announcement on this. But today, I will leave this question.

Moderator: Thank you. Next question is from the line of Praneet from SJ Investments. Please go ahead.

Praneet: Hi, sir. Thank you for the opportunity. First question, with regard to international subsidy. We have seen a large degrowth, and I understand there is a lot of geopolitical factors causing it. Just wondering, in terms of strategically, is it even worth pursuing this particular venture, and what is the plan with this at this point of time?

Sumit Bhatnagar: So, I think it is a very good question, and that is something which our customers also ask us in Europe. See, if you look back in last two to three months or six months down the line, there is a huge amount of pressure on these kind of organizations to survive in Europe, mainly because of some extraordinary inflation from the manpower and the power costs.

But the good thing is, our factory is strategically located in the part of Europe, which is growing very, very fast. That is Slovakia. They have similar challenges, but the salaries are far lower as compared to rest of the Europe, and there are a lot of migrations happening from the rest of the Europe into this country. And that is where we are very confident that this is a strategic location, and we must stay with it. We have already started aggressively looking at the customers in Europe and get some opportunities for this plant. Because this plant comes with a very niche ability to do very high-technology products and not very high volumes. It is a very good condition to win, because generally in the product what we make, people generally want to go for higher volumes so that they can realize more value. This is very different than that. The moment any of the niche players in Europe, if they want high-technology products, then we are the best bet for them, sitting in Slovakia. So, we want to stay with it, and we will make some aggressive plans for this location to completely revise and revamp in time to come. I hope I have answered your question.

Praneet: So, in the future, we have more aggressive plan in terms of expanding or whatever. So, for now, we are just sticking with it.

Sumit Bhatnagar: Yes. So, while see, there is a current state where there were some volumes which came to end of production, and because of which we had seen a

slowdown. But the kind of products which are already in development, they are high-value products, and we are getting a much more number of inquiries that we used to get in the past. So, we are on the right track. That is what I can tell you right now.

Praneet: But, sir, in terms of viability, you already alluded a fact that all the costs have increased very much. Can this particular business grow profitably? Because if the cost has grown so much and it is even viable to operate that business, even then grows, is my question actually.

Sumit Bhatnagar: Yes. Just to tell you, in the last few years, we have cut down our cost by more than 50%. Cutting cost in Europe is still rather a simpler task as it is in India, I can tell you that. But the businesses, when we win the European locations, they come at a very different commercial values.

The cost which is not associated with the product, but the peripheral cost which also customer pays along with the business is also a huge sum of cost, which makes the businesses viable for a long run. I can tell you, this is a much doable thing in Slovakia, and we are very, very critically monitoring every single opportunity which is coming to us.

Praneet: Understood, sir. Got it. Coming back to Indian operations, you specifically alluded the fact that you did a lot of restructuring. I understand in terms of vision, you told a lot of big picture things. Could you tell the most impactful one or two things that you did on the ground for us to get some perspective?

Sumit Bhatnagar: See, if you would have seen our share of business and the pie which Rajiv spoke some time back, I think it is very clear that some of the dominant sectors, segments where we have been supplying for many, many years have drastically gone down in the total pie. It has not gone down because we have lost the market. It has gone down because we have structured our investments in such a way that we moved in a different direction. I cannot say these things here because we cater to all the customers, but very clearly, even the businesses which we have won in the past and where we intended to grow in the past, we are also critically examining them once again, because we understand that these are high-capital businesses, and we have to aim for higher and higher VA.

All the new businesses which we have acquired for the last six months, 90% of those businesses would fall into a very high VA category, and that is a new way of looking at the businesses by us. This is how the pie, you will see a significant change in time to come, and which has already changed, if you would have observed, it has already changed in this quarter.

Praneet: Got it. So basically, you are focusing on changing the mix into higher value addition mix to begin with.

Sumit Bhatnagar: See, absolutely. This is where we differentiate ourselves. When there is a critical product which cannot be made easily, then the first choice of the customers is us, because we have actually delivered very, very critical products because of the kind of knowledge, experience, and know-how what we carry for many years. This is where we are now going to leverage more and more.

Praneet: Got it, sir. Is this reason structurally able to expand from our previous 12% EBITDA margins to a potential 15%?

Sumit Bhatnagar: See, as I have already said that we will always aspire for higher and higher EBITDA. Okay? While it may be difficult for me to quote a number, I can tell you that we will never take any target which is an average target to be taken by any company. We will set a very, very stringent target for us for EBITDA and the margins.

Praneet: Understood, sir. Coming to our depreciation expense, we have had, because of our past investments during the last few years, I think we had a structurally high base to begin with in terms of our assets. We also want to continue to invest further. I am just wondering, as an expense, what we are capitalizing now, is it enough for our future investments, or will it be increasing the fraction a lot more going forward?

Vimal Gupta: The depreciation, what we are seeing that we already explained, some projects are delayed, and now the depreciation started. The cost had started to come. When we are going for the expansions, though investments are there, but the aim is to improve our asset turnover ratio, that we are more focused, like Sumit has explained, when we are going for the new businesses, so what kind of

investments we are making, what kind of margins we are going to make on those businesses. Those are our critical areas when we finalize all new businesses.

Praneet: Sir, is there any target that the investment for next two to three years in terms of annual investment focus, in terms of what amount of capex we will be doing?

Vimal Gupta: Well, I think in the last call also explained approximately this year, our capex will be around Rs. 150 crore. That includes the new shed, what new plant we are going to start from the month of April 2027. That is the phase-wise investments, and maybe when we are also planning, like Sumit has explained, maybe shortly some new investments will come up. So that we will see that how much investments will be in 2027-2028. Definitely, when we are looking for the growth, investments will also go.

Praneet: Got it, sir. In terms of right now, what is the tonnage at in terms of capacity, and what is the capacity utilization today?

Rajiv Gupta: Currently, we are having a 50,000 yearly tons capacity, and currently utilization is roughly around 82% to 84%.

Praneet: Got it, sir. With the new plant, where will it be at?

Sumit Bhatnagar: The new plant, what we are adding up, we are adding up a fresh capacity of 12,000 metric tons in a year.

Praneet: Got it, sir. Can we expect more plants like this? Because with our aggressiveness in going other categories, we will probably need to continue to invest very drastically. We are already at 85% capacity.

Sumit Bhatnagar: That is right. We can expect, but we can only tell you, we will make an announcement on this whenever it happens. I have already said that there are a lot of plans which are still on the paper, and we will come back to you as the plan matures and they are approved by the Board. But the point is right.

Moderator: Thank you. Next question is from the line of Nishita from Sapphire Capital Partners. Please go ahead.

Nishita: Yes, thank you for taking my question. I just had one question. You are saying that we are expecting 12% to 15% sort of revenue growth in FY27. in H1 FY27, we have already done around 44% growth, and basis that, according to the 15% growth, if we take, we will degrow in H2 FY27. Are we expecting some kind of market slowdown in H2, or are we being conservative while giving the guidance?

Sumit Bhatnagar: All right. Maybe let me just tell you a little bit different on this. See, when we talk about growth, we say alloy-adjusted growth. When I say around 15%, that was the alloy-adjusted growth. When we say 44%, it is the total sales growth, which is including the alloy rates. All right. But while I am not saying that we are expecting any slowdown in the market, but generally, always quarter three is a mellowed-down version of the entire financial year, every year. The kind of growth what we see in Q1 and Q2, generally Q3 does not show a similar kind of growth. Q4, the market comes back due to the year-end effect. A similar model may follow this year as well. While the growth rates, where we have said 12% to 15% alloy adjusted growth, it could be even more than that. But as of now, because we are looking at a lot of volatilities, it is very difficult to pinpoint on a specific number at this point of time.

Moderator: Thank you. Next follow-up question is from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL: Thank you, sir, for the opportunity again. My first question was on cylinder heads. It is a major product for us, and congrats for the market share gains which you have recently seen. Can you approximately indicate what will be the range of market share in CV, PV, and two-wheeler segments?

Sumit Bhatnagar: Yes, we can do that, Raghu.

Rajiv Gupta: You are talking about the new business wins?

Sumit Bhatnagar: No, I think he is talking about our market share in. Is that right, Raghu?

Raghunandhan NL: Yes, sir. Market share. Existing approximate market share in cylinder head across categories.

Rajiv Gupta: Across the segments, what we see is cylinder heads in two-wheelers will be in a range from 30% to 35%. In passenger vehicle, we see this to be around 14% to 18% for this financial. In commercial vehicles, of the total pie, this is looking to be around 13% to 15%. If in commercial, if we talk about the addressable market, because around 45% of the market is the other commodity, that is cast iron. If I talk only in terms of the aluminium addressable market, this will be near about 25% to 28%.

Sumit Bhatnagar: So similarly, in passenger vehicle, most of the bigger OEMs, they do these products for themselves. Till the time they do not decide to offload more products, a lot of market will continue to be with them. But the new trend, what is happening is, the OEMs have now begun to let go these facilities to their vendors, then this market pie by default will keep increasing this period of time. This has recently happened with one of the largest OEMs, one of the very big OEMs, and this will follow even for the rest of the OEMs in future.

Raghunandhan NL: How much will be the share, sir, of captive production, approximately?

Sumit Bhatnagar: See, for example, the largest customer in India, they do 85% of these products by themselves, and the remaining 15% are done by us. As the market grows, it is very clear that most of the OEMs would not make more investments, and these investments will be available for the vendors to tap.

Raghunandhan NL: Noted, sir. Thank you very much for that. Pune plant, Rs. 130 crore was the investment, and at peak utilization, what kind of a gross asset turnover can we expect, considering that you are trying to be more asset-light?

Vimal Gupta: At the peak, it will be 3x.

Raghunandhan NL: Noted, sir. Noted. Thank you. Thank you so much for that. Also, by medium term, say by 2030, how do you look at your ROCE targets? Because FY27, you should be in double digits. Would you look at moving towards 15%? By when do you expect that to happen?

Vimal Gupta: Raghu, you are trying to push into some special areas. I think you have seen the total discussions, Sumit and me. Our main focus is on to improve the margins and control the capital. Definitely, the effect will be on the ROCE.

Sumit Bhatnagar: Raghu, but your question is valid. I think ROCE ask of 15% is a valid ask. I can only tell you that you will see us improving in that direction very gradually. In the meantime, you will see that we are progressing well towards that target. I cannot comment, but that is clearly a goal along with EBITDA, what we have. This is very much a doable target. That is what I can tell you.

Moderator: Thank you. Next question is from the line of Riddhesh R. Gandhi from Discover Capital Management. Please go ahead.

Riddhesh R. Gandhi: Hi, sir. Congratulations on a great quarter. Sir, just had a question for you with regards to your JLR order, how things were progressing, whether the product acceptance was good, and is it expected to scale up and lead to increase in the overall profitability?

Sumit Bhatnagar: While my colleague will give you some clarity on how JLR is doing, just to tell you, just to see the similar clarity, I went to JLR myself 10 days back. The complete manufacturing of this plant has already started. There are some numbers shared by them which I cannot quote publicly, but I can tell you that they already have claimed that they have a healthy order book. Their new vehicles, which are EV vehicles, people are now expecting these vehicles to be delivered to them very soon. The manufacturing has started. Our offtake has started already for the very critical parts which we were doing for them. The vehicle sale to the end customers will begin in quarter four of this financial year, approximately. But I can tell you the complete manufacturing plant was on full swing, making the products or sub-assemblies and the vehicles. I think now finally this vehicle looks to be on track, and the complete JLR leadership is looking extremely confident on the performance of this vehicle.

Riddhesh R. Gandhi: Yes, I think the early reviews and pre-bookings also, from my understanding, have been extremely strong. Sir, then just to understand, here our strategy would effectively be to use our existing asset base to move into smaller compact products, leading to higher EBITDA per ton. Is that how we should be

looking at it? And then incremental capex in strategic areas where we expect high incremental ROCE.

Sumit Bhatnagar: Yes, so I think it is a right question. Just to tell you the kind of machines we have in our products, these machines are flexible to be used for multiple type of products. The size of the machine is important, but once we talk about machines which are used to produce JLR products, which are the highest of the size, I think these machines can also manufacture a lot of other products of similar size and nature.

So, we have various categories of machine, and every machine is flexible to produce multiple parts. So, this is always very beneficial for ROCE perspective, so we can really set our assets well. The good thing is there are no assets which are bind to a specific customer and which should not be used if the customer is not going. That is not the case in our kind of business.

Riddhesh R. Gandhi: Got it. Even with the existing capacity which we have, there is still reasonable headroom to increase overall absolute EBITDA.

Sumit Bhatnagar: Yes, that is right. See, because EBITDA is a function of lot of other things other than the capacity. Rajiv already explained that while we are at 80% of the capacity, generally as a rule, 20% of capacity in manufacturing should always be available for expansion. That is the reason we are going for the new plant. If required, we will also make further investments. Right now, we are in the growth phase, so about 20% is the capacity I would always love to have to cater to immediate requirements. The good thing is, we grew in CV segment. That was precisely because of the same reason that we had the capacities and customer wanted us to do it in record lead time, and we could only manage it because the capacities are available. 88% is the 84% to 85% is the capacity, but that is a most ideal capacity utilization. I would not really like to take it to 100 all the times, because that much I need for any urgencies or any immediate customer requirements. But yes, while to improve EBITDA, I think there are many more ways which we are going to work on to be working and improving that number.

Moderator: Thank you. Next question is from the line of Raj from TPR Capital. Please go ahead.

Raj: Yes. Firstly, congratulations on the wonderful set of results, sir. My first question was regarding the increase in receivables and inventory during the quarter. I think the receivables increased by Rs. 88 crore and inventory increased by Rs. 32 crore, and those were the two primary reasons behind all lesser cash flow conversion as compared to the first half last year. Just wanted to get a better idea on what led to this sudden increase.

Vimal Gupta: So, in this first major impact, there are two things. One is the, you have seen the growth in the sales, the volume impact, as well as the increase in the aluminium prices. If you have seen that when we are looking at the receivables, along with it, the payables also has increased. All these customers, they take time to settle it down because there is a sudden jump, and they have also major impact on their product cost. They are taking some time. They have internal approvals, some controls from their headquarters. But that realization will happen because now it has peaked up, the prices have peaked, so now started going down. In next two to three months, I think that we will be able to realize the money from the customers.

Raj: Sir, just on the same question, you mentioned that the pass-through would happen with a lag, and this quarter, since we have seen the margin go down to, for first half also, 9.8% as compared to 12.7% last year. Over the next two quarters, that is Q3 and Q4, is when we should see the margins increasing because a higher pass-through should happen.

Vimal Gupta: No, no. This is because maybe they take time. This time lag is for the payments. It is not for the pass-through. Only a cash flow impact. But there is no impact on the margins due to this aluminium price reduction or increase.

Sumit Bhatnagar: And like, I think Vimal already explained that if you do an alloy adjustment on the EBITDA, this EBITDA levels are not 9.8. This is actually around 12, which is still quite good .

Raj: Correct. So, for the full year, we will be expecting at least you mentioned that 1% improvement should come in on a Y-o-Y basis. So last year we were around 11.4%, so this year we should be around 12%?

Vimal Gupta: Yes, I think I already explained that this year we are expecting around 12%, and next two to three years, so 1% year-on-year basis.

Raj: Got it, sir. My second question was on the non-auto parts, sir. I think we have made great strides in terms of setting up an independent sales and marketing for the DAR vertical. We have also appointed a head for the DAR vertical. So just wanted to get more idea from you that, because we have heard a lot of commentary in the last month over the shortage of castings, bearings, and forging equipment for defence, aerospace, from global players like Honeywell as well. So just wanted to get a better idea from you that, how are you seeing this space? How are the inquiries coming up to you across these two verticals and railways also along?

Sumit Bhatnagar: Clearly, there is a scarcity of castings in the global market, and this is not only triggered in India, it is triggered globally. As I said that many, many big foundries in Europe which are announced to be closed. Now suddenly it is creating a lot of pull from the global markets, both from China as well as India, and this is where the overall capacities have become a constraint. Indian market did much better than traditional years or conventional times, and that is where suppliers are also not very much ready with those higher capacities. That also created a crisis. Between this, the complete manufacturing machine makers, they also suddenly have got very, very high order bookings as compared to the past. All the challenges which could hit any company has also affected us equally. That is the reason we have proactively ordered our equipment and machines. We have not only limited our scope to looking at machines in the Indian markets, we have also looked at the global markets. As of now, we do not see any significant challenge to us. Just the lead times would have increased by a month or two in some of the machines which are critical in nature. Otherwise, it is not really affected as much.

Raj: And sir, in terms of the pipeline for DAR vertical, any kind of update in terms of the RFQs or any particular traction that we are getting across with any OEM or any PSU?

Sumit Bhatnagar: See, I can tell you that RFQs keep coming. So, generally with our strategy where we are looking for only higher VA products, high value addition products, and more complicated products, it is not exactly the same case with defence and aerospace as of now. We are trying ourselves to keep away from more commoditized products, but we are still aggressively looking into these markets. We have a guy, whom we have hired as an expert. We are getting the RFQs, we are examining them, and as they convert into a business, we will definitely make a communication on that. But I can tell you we are getting the RFQs, but we are examining them very, very critically. We do not want to just simply increase our non-auto sector and compromise with any of the margins anywhere.

Raj: Got it. As you mentioned earlier on the data centre business, can you just give us some bit more light about the compressor? You mentioned a specific customer, Danfoss, who had this Turbocor compressor where aluminium casting is involved. You mentioned over the last call that there are some seven or eight more parts. How is that pipeline looking like in terms of tapping those new customers?

Rajiv Gupta: Yes, we see a great opportunity with this customer where we submitted the samples and customer has appreciated, because these were little critical compared to traditional parts. So, we have now follow-up meetings lined up with them, and we are expecting. We have already received few RFQs, and we are expecting some orders to convert in coming quarters with them.

Raj: So, we should expect a formal announcement soon?

Rajiv Gupta: Yes, you might get some announcements with these accounts also going forward.

Raj: Got it, sir. My last question again, just coming back on the new plant. I think we are investing around Rs. 125 crore, and the last call you had mentioned that we were looking at a revenue of Rs. 500 crore over the four, five years of business. Would not that be an asset turnover of close to four times, sir, as opposed to the three time you mentioned?

Sumit Bhatnagar: I think I am really very happy to hear this comment. You are right. It is at around Rs. 500 crore, and that could be a slightly higher asset turnover ratio. While this plant is still in development, we are getting a lot of inquiries even for this plant. Overall, this number can actually vary from 3.5 to four and can be even little more than that. It is difficult to comment on it very clearly, but it will be a good asset turnover ratio. It could be even more than that.

Vimal Gupta: Till that whatever the capacities we are going to put in the new plant, it is already fully booked by the customers.

Raj: Okay. Just my last question, sir. I know we are also looking at additional opportunities in terms of capex. I think last call you had also mentioned something very interesting in terms of inorganic growth opportunities. Anything that we have update on this that you would like to share?

Sumit Bhatnagar: Not in this call. We will definitely come back to you once it matures.

Moderator: Thank you. Next question is from the line of Hitesh Choudhary from Allvest Securities. Please go ahead.

Hitesh Choudhary: Your standalone PAT was around Rs. 20.7 crore in Q2, while your consolidated PAT was around Rs. 17.6 crore, implying roughly a Rs. 3.1 crore quarterly loss drag from European things. What exactly quarterly revenue needed for Illichman Castalloy to break even, and how much of the revenue loss from sustaining legacy program is already locked in via SOP launch to hit your Q4 FY27 turnaround target?

Vimal Gupta: For the quarterly, we need around because it totally depends on the case-to-case basis, because some businesses are with the higher margins, some are with the lower margins. But on an average, we can say approximately Rs. 30 crore-Rs. 40 crore sales is required to break even on a quarterly basis. And the maximum part may be approximately at more than Rs. 15 crore a quarter. We have already lost the legacy businesses.

Hitesh Choudhary: Okay. Next question. With global business now you are at 13% of your revenue, and the European energy and wages inflation remaining structurally

headwinds. How do you justify deploying incremental manufacturing capex in Slovakia versus keeping Austria and Slovakia strictly as an R&D and prototyping front end while shifting mass production to new global wins to India?

Sumit Bhatnagar: See, what happens is there are a lot of customers, there are very lot of niche customers who are into, for example, racing cars or some of the very niche segments. When they need parts for their vehicles, they would never go and source them from India or China. These are the parts which could be low quantity, but very, very high technology parts which are manufactured very carefully. And this is a big business in Europe, and it is very unlikely that they would like to outsource this business to any part of the global world. That is number one, that you need a plant in Europe which is able to cater to these requirements. A lot of such parts we already make there. That is number one.

Number two, I have already said that with the kind of current trends which is happening in Germany especially, and France or Italy, most of the foundries are either closing down or they are trying to shift some of the businesses to Eastern Europe, like Slovakia or Czech Republic or somewhere closer to that. This is a place which is still a sought-after place where most of the people make investments and do manufacturing.

As of now, while it is only a time where they have lost some of the legacy businesses and they are in this state, I am quite sure that the kind of inquiries we are getting for this plant and the way we are looking for the future growth, it is only a matter of time this plant will be really contributing very positively to the Alicon story.

As of now, we are definitely not looking at winding it up or looking at doing those parts from India, because this is not what we are looking at. In fact, on the contrary, we give option to the customers to choose if they want to buy from Europe or they want to buy from India. This is how we have already added some business in Europe, where it could be more viable to produce those parts in Europe rather than producing them in Alicon India.

Moderator: Thank you. I will hand the conference over to the management for closing comments.

Sumit Bhatnagar: Thank you everyone for your questions and for taking the time to join us today. We value your engagement and appreciate your continued interest in Alicon. As we have discussed, Q2 has been an encouraging quarter for us, with strong profit growth, improving customer traction, and progress across several of our key initiatives.

While the operating environment continues to present its challenges, we remain focused on building on this momentum. Our priorities remain clear: executing the programs we have secured, strengthening our customer relations, improving operational efficiencies, and ensuring that our growth translates into better profitability and returns.

The initiatives under Reset, Refocus, Rebuild are progressing, and while some of these efforts will take time to deliver the full benefits, we remain committed to disciplined execution. We will also continue to be mindful of capital allocation, focusing our investments on areas that support sustainable growth and create a long-term value.

We are encouraged by the progress made so far, and we will remain focused on building a stronger, more efficient, and more profitable Alicon. We look forward to updating you on our progress in the coming quarters. Thank you once again for your time and continued support. Thank you so much.

Moderator: Thank you very much. On behalf of Alicon Castalloy Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.

Disclaimer: ***This is a transcript and may contain transcription errors. Certain statements made or discussed on this call may be forward looking in nature and must be viewed in conjunction with the risks and uncertainties that the company faces. The company does not undertake to update these forward-looking statements publicly. Please also note that this document has been edited without changing much of the content, to enhance the clarity of the discussion. No unpublished price sensitive information was shared/discussed on the call.***