



Q3 & 9MFY24 Investor Presentation



February 2024



'La Frasnee' Hydropower Plant Project - France

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Water Infrastructure Opportunity



Jal Jeevan Mission (JJM): Driving Water Infra Demand

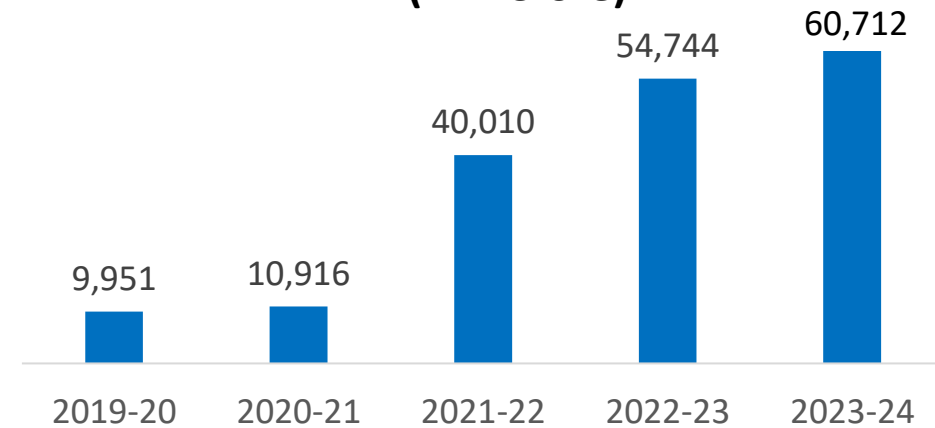
- The Government’s flagship scheme - Outlay of INR 3.60 lakh crores
- Providing water supply by to every crore rural household at a capacity of at least 55 litres per capita, per day (lpcd) by 2024
- Providing Functional Household Tap Connections (FHTCs) to 19.4 crore rural households and village institutions
- Prioritising quality-affected villages (drought prone & desert areas)

JJM Progress till date:-

*Tap Water Connections – 74.05% rural households
(70.21% rural households – November 2023)*

*Pending Tap Water Connections – 5.00 Crores rural households
(5.73 rural households – November 2023)*

JJM : Funds Drawn by States/Union Territories (INR Crore)



Additional Government Schemes Driving Water Infra Spending

AMRUT 2.0: INR 2,99,000 Crores (Launched by Hon’ble PM on 1st Oct 2021)

- Aims to provide 2.68 Crore water taps connections in 4,800 statutory towns
- New 2.64 Crore Sewerage/Septage services in 500 AMRUT cities

ECL's Water Infra Applications



Drinking water/ irrigation

- Clear and Raw Water Transmission
- Distribution Network of Potable Water
- Irrigation Application



Industrial applications

- Ash-Slurry Handling & Disposal System
- Fire-Fighting Systems (Onshore & Offshore)
- Desalination Plant



Sewage and Wastewater Disposal

- Gravity Sewage Collection & Disposal
- Effluent Disposal of Domestic & Industrial Waste
- Storm Water Drainage



Miscellaneous applications

- Vertical Connection to Utilities & Reservoirs
- Piling for Ground Stabilization
- Protective Piping under Major Carriage Ways

Ductile Iron Pipe

ECL is the pioneer in setting up the first Ductile Iron Pipe plant in the Indian Sub-continent

- One of the most preferred pipes for water supply & sewage applications across the Globe
- The concept of piped irrigation is catching up fast in India and is a prevalent practise globally



DI Pipe: Salient Features

- Higher tensile strength
- Pressure bearing ability, impact resistance and capacity to sustain external static
- Flexible push-on joints which do not leak at high or low pressure
- Adaptable, easy and quick to join
- Long reliable service life of 70-90 years

Ductile Iron Fittings

ECL is amongst the premier manufacturers of Ductile Iron fittings in India

- Used in connection with DI pipes of both Flanged & Socket Ends
- State of the art manufacturing plants - Khardah & Haldia
- **Key USP as the only Company in India who is capable of manufacturing various types of joints, linings & coatings suited to different markets in India and abroad**
- Internationally acclaimed quality benchmark



DI Fittings: Salient Features

- Good & simple design enabling high installation speed
- High dimensional accuracy results proper fitment & leak-tightness
- Automated casting technical process results high accuracy & fast delivery



Investment Rationale





Financial Highlights

- Revenues at INR 5,232 Crores, Highest ever nine-months EBITDA and PAT at INR 927 Crores and INR 517 Crores, respectively in 9MFY24
- EBITDA margin and PAT margin at 17.7% and 9.9%, respectively in 9MFY24
- Adjusted 9MFY24 ROCE at 20.2% (FY23 - 13.0%) and ROE at 20.0% (FY23 - 11.2%)
- Strong Order Book visibility of 10 months



Credit Rating & Strong Balance Sheet

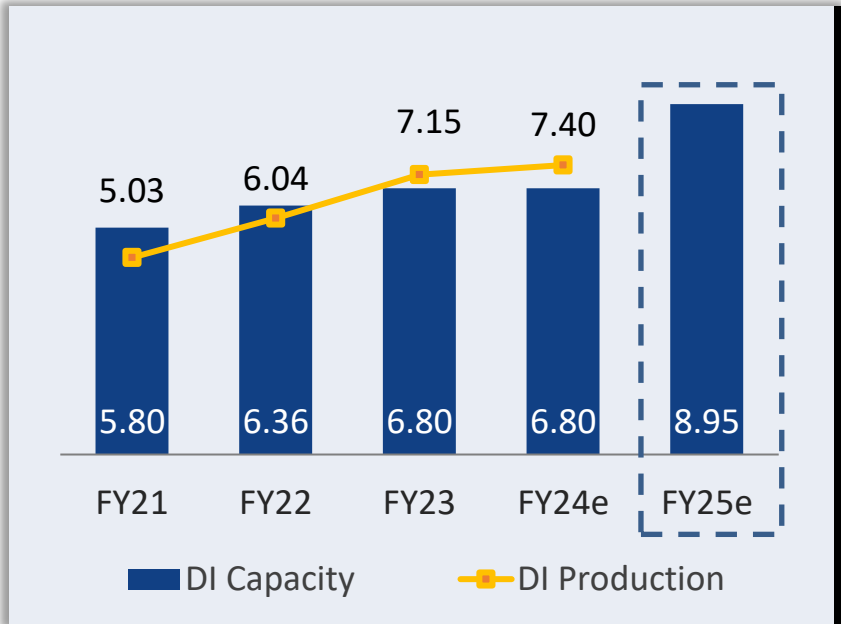
- Long Term: CRISIL AA-/ Stable (Reaffirmed)
- Short Term: CRISIL A1+ (Reaffirmed)
- Comfortable Net Debt-Equity at 0.36:1 as on 30.12.2023 (0.43:1 as on 31.03.2023) despite ongoing Capex



Dividend History

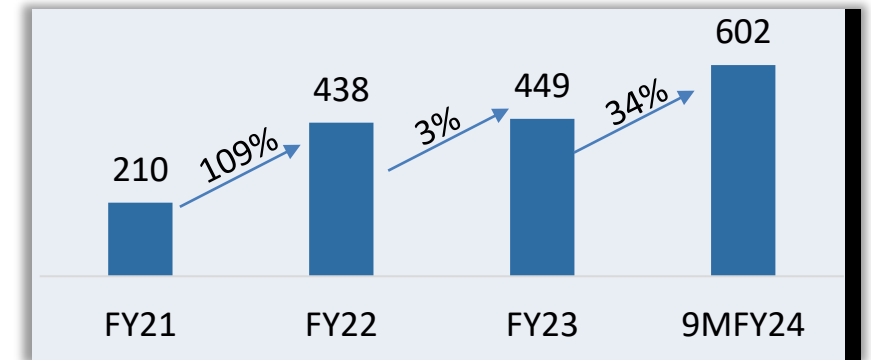
- Consistently rewarding stakeholders with dividend
- FY24: INR 0.50 (50% of Face Value) – Interim Dividend
- FY23: INR 0.90 (90% of Face Value)
- FY22: INR 0.80 (80% of Face Value)
- FY21: INR 0.25 (25% of Face Value)

Capacity (in Lakh MT) & Planned Capex

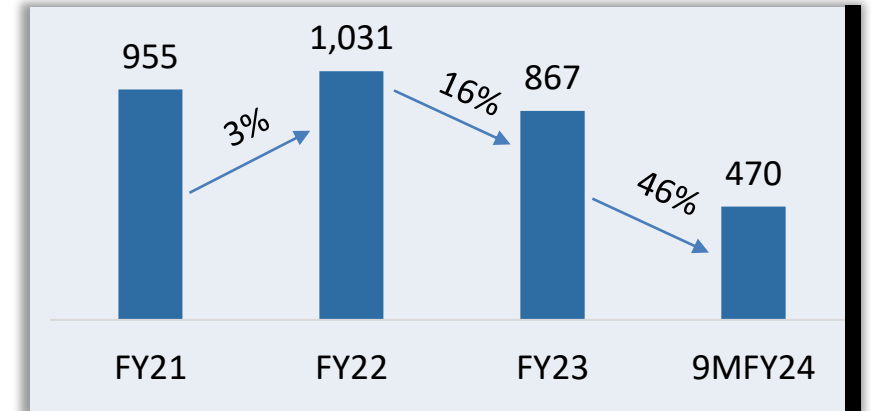


Capex aided by Cash Flows along with Reduction in Debt

Cash Profit (PAT + Depreciation) (INR Crore)



Long Term Debt (INR Crore)



Capacity Expansion Update:

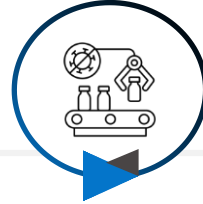
- INR 650 Crore Capex Plan; Phase II Target (FY25): 8,95,000 TPA
- Spent INR 340 Crores on Capex till 9MFY24

Maintaining Leadership Status with Robust Cash Flows and Reducing Debt Resulting Strong Balance Sheet



Establishing a Niche Play

- Promoters Expertise of almost Seven Decades
- First to set up Ductile Iron (DI) Pipe plant in India
- India's Largest Integrated DI Pipe Manufactures with capacity of 7,00,000 TPA in 2 states, serving PAN India
- Amongst the World's Leading Water Infra Solutions Providers with a Strong Brand Recall



Manufacturing Excellence & Global Presence

- 5 Multi-locational Strategic State-of-Art Facilities
- Strong Domestic Presence and Exports to 110+ Countries across 5 Continents



ESG Initiatives

- Treats and utilises sewage water of Tirupati Municipal Corporation thereby conserving natural water resources
- Captive power plant generating power from waste heat gases
- Promotion of Recycle, Reuse, Reprocess, Reduction in Operations
- Felicitating those who have carried out exemplary work in the water space and impacted life for the better future through 'Jal Sewak Sanman'



ISRO



Vikram Sarabhai Space Centre



Kargil



India's New Parliament Building



Boeing Corporation



Pfizer Facility



BMW (Wallersdorf, Germany)



Ras Abu Aboud Stadium, Qatar



Doha Metro



Hamad International Airport



WWTP, Okhla



French Atomic Centre



Financial Highlights



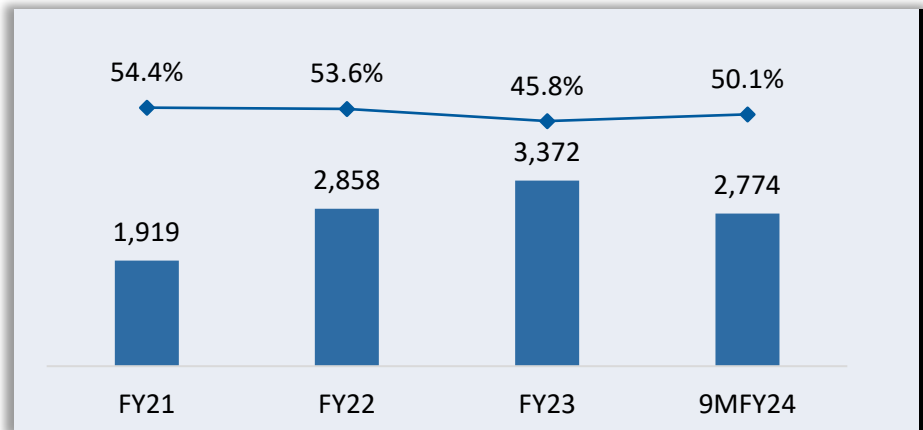
Particulars (in INR Crores)	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ	9MFY24	9MFY23	YoY	FY23
Total Income	1,892	1,867	1.3%	1,938	(2.3%)	5,542	5452	1.6%	7,360
Cost of Goods Sold	856	1,060	(19.3%)	981	(12.7%)	2,768	2950	(6.2%)	3,989
Gross Profit	1,036	807	28.4%	957	8.3%	2,774	2501	10.9%	3,371
<i>Gross Profit margin</i>	<i>54.8%</i>	<i>43.6%</i>	<i>1,154bps</i>	<i>49.4%</i>	<i>539bps</i>	<i>50.1%</i>	<i>46.3%</i>	<i>418bps</i>	<i>45.8%</i>
Employee Expenses	121	112	7.9%	130	(7.0%)	361	326	10.8%	430
Other Expenses	486	492	(1.3%)	508	(4.3%)	1,478	1582	(6.6%)	2,119
EBITDA	429	203	111.7%	319	34.7%	935	593	57.6%	822
<i>EBITDA margin</i>	<i>22.7%</i>	<i>10.9%</i>	<i>1,183bps</i>	<i>16.4%</i>	<i>624bps</i>	<i>16.9%</i>	<i>11.0%</i>	<i>599bps</i>	<i>11.2%</i>
Depreciation	30	30	(2.0%)	30	(2.8%)	90	91	(0.3%)	121
EBIT	400	172	131.7%	288	38.7%	845	503	68.0%	701
Finance Cost	53	77	(31.2%)	57	(7.3%)	167	209	(19.8%)	286
EBT	346	95	263.6%	231	50.1%	677	294	130.2%	415
Tax	83	17	395.4%	56	47.9%	164	68	143.4%	99
PAT	263	79	235.5%	175	50.8%	513	227	126.3%	316
<i>PAT margin</i>	<i>13.9%</i>	<i>4.2%</i>	<i>972bps</i>	<i>9.0%</i>	<i>491bps</i>	<i>9.3%</i>	<i>4.2%</i>	<i>510bps</i>	<i>4.3%</i>
Diluted EPS (in INR)	4.40	1.32	233.3%	2.93	50.2%	8.59	3.81	125.5%	5.31

- Total Income grew by 1% YoY to INR 1,892 Crores in Q3FY24
- EBITDA grew by 111.7% YoY to INR 429 Crores in Q3FY24, the EBITDA margin expanded by 1,183 bps YoY to 22.7% due to Strong Order Book, Economies of Scale and Operational efficiencies
- Highest ever PAT of INR 263 Crores, up by 236% YoY in Q3FY24 on account of reduction in interest cost due to reduced borrowings and lower interest rate, PAT margin expanded by 972 bps YoY to 13.9%

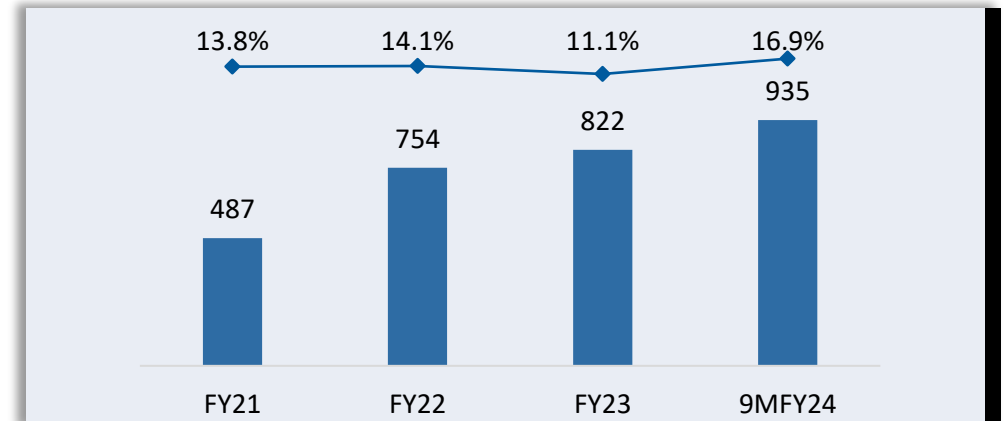
Equity and Liabilities (in INR Crores)	FY23	H1FY24
Share Capital	59	59
Other Equity	4,325	4,515
Total Equity	4,384	4,574
Borrowings	737	552
Deferred Tax Liabilities	320	303
Other Non-Current Liabilities	136	391
Non-Current Liabilities	1,193	1,246
Current Liabilities		
Borrowings	1,892	1,878
Trade Payables	587	598
Other Current Liabilities	463	666
Total Current Liabilities	2,942	3,143
Total Equities and Liabilities	8,519	8,963

Assets (in INR Crores)	FY23	H1FY24
Non Current Assets		
Plant, Property and Equipment	2,668	2,715
Capital Work in Progress	1,302	1,281
Other Non-Current Assets	235	429
Total Non Current Assets	4,205	4,425
Current Assets		
Inventories	2,269	2,337
Trade Receivables	1,056	1,043
Cash & Cash Equivalents & Other Bank Balances	412	388
Investments	95	331
Other Current Assets	482	439
Total Current Assets	4,314	4,538
Total Assets	8,519	8,963

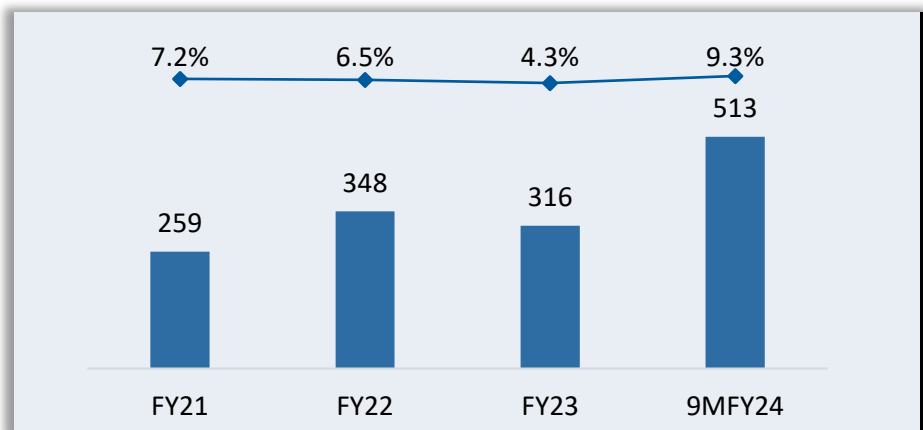
Gross Profit (in INR Crores) & Gross Margin (%)



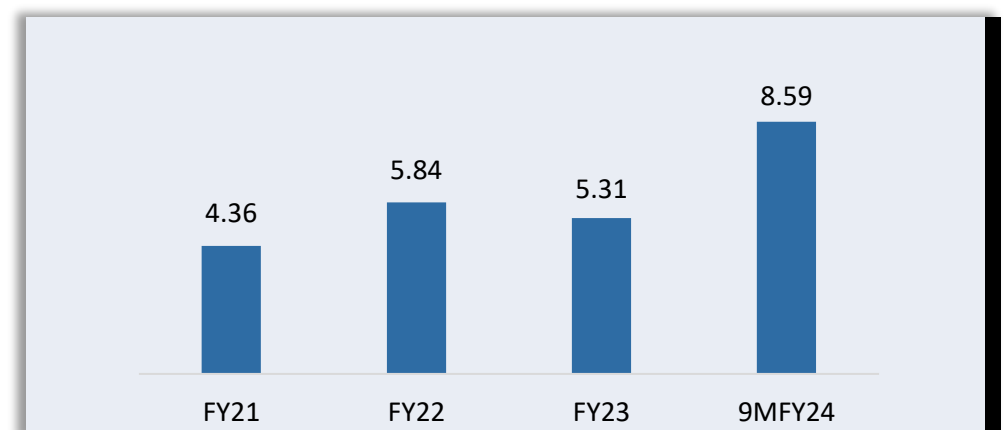
EBITDA (in INR Crores) & EBITDA Margin (%)



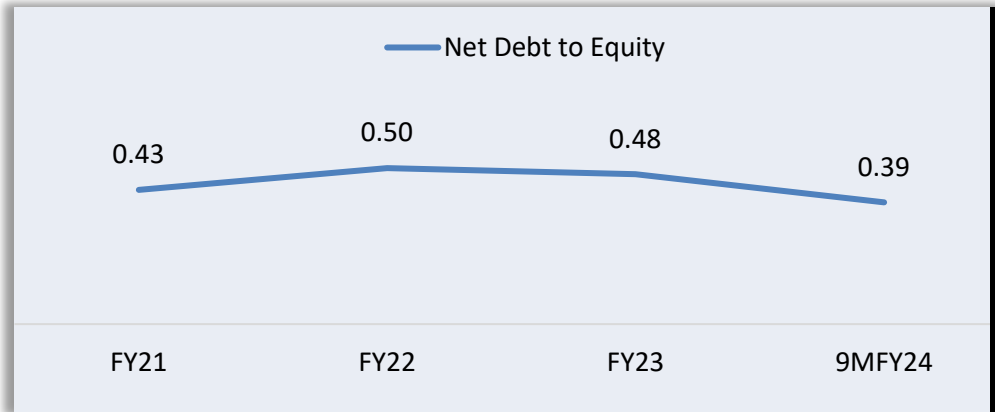
PAT (in INR Crores) & PAT Margin (%)



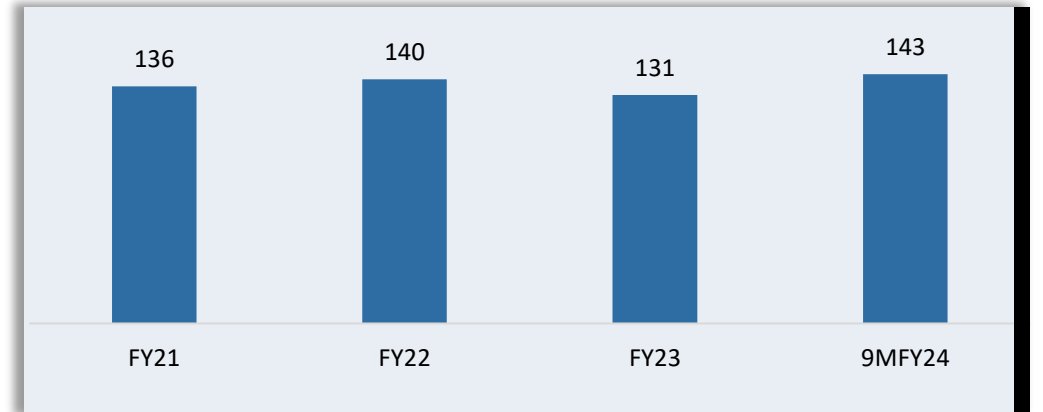
Earnings Per Share (in INR)



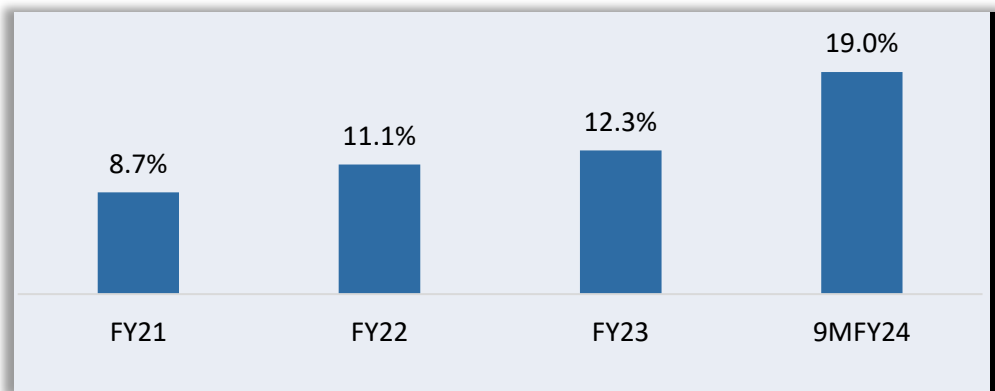
Net Leverage Analysis



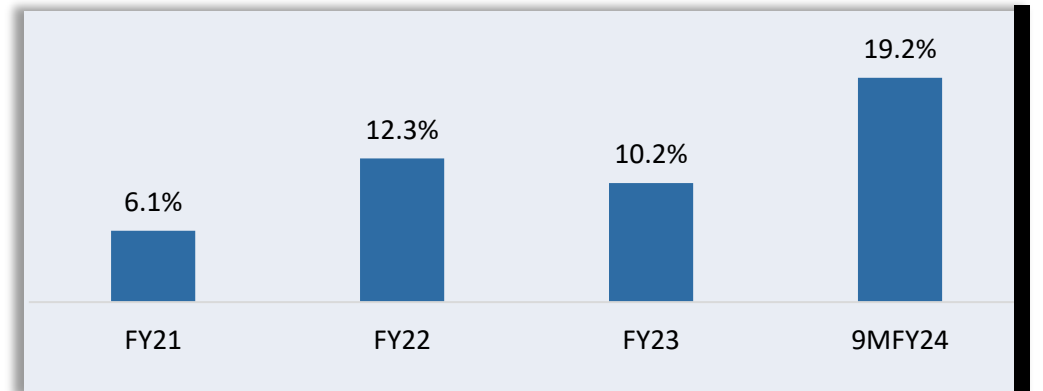
Working Capital Analysis (in Days)



Adjusted Return on Capital Employed*



Adjusted Return on Equity*



* Adjusted for coking coal mine compensation claim due; 9MFY24 is annualised

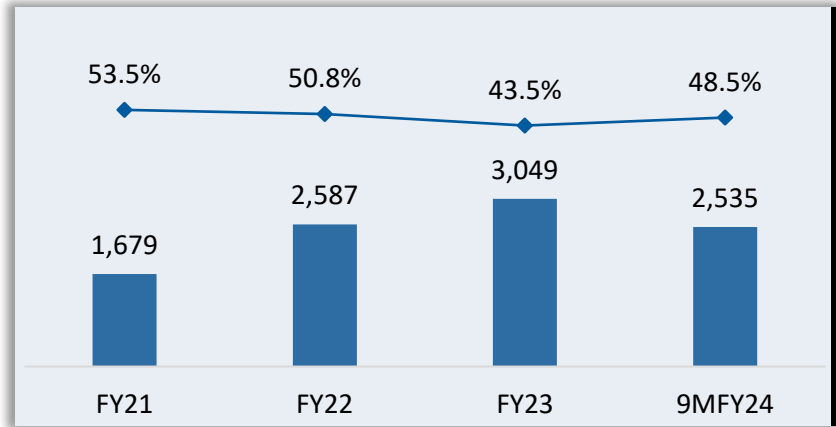
Particulars (in INR Crores)	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ	9MFY24	9MFY23	YoY	FY23
Total Income	1,814	1,751	3.6%	1,888	(3.9%)	5,232	5227	0.1%	7,013
Cost of Goods Sold	875	1,039	(15.8%)	992	(11.8%)	2,697	2952	(8.7%)	3,964
Gross Profit	939	711	32.0%	896	4.8%	2,535	2275	11.4%	3,049
<i>Gross Profit margin</i>	51.8%	41.2%	1,113bps	47.4%	433bps	48.5%	44.1%	494bps	43.5%
Employee Expenses	97	92	5.9%	108	(9.8%)	294	271	8.3%	358
Other Expenses	429	435	(1.4%)	457	(6.1%)	1,315	1418	(7.3%)	1,872
EBITDA	412	184	124.4%	331	24.7%	927	586	58.3%	819
<i>EBITDA margin</i>	22.7%	10.6%	1,223bps	17.5%	521bps	17.7%	11.4%	651bps	11.7%
Depreciation	28	29	(2.7%)	29	(2.7%)	85	86	(1.5%)	114
EBIT	385	155	147.8%	302	27.3%	843	500	68.5%	705
Finance Cost	50	73	(32.1%)	55	(9.0%)	156	200	(22.1%)	272
EBT	335	82	308.7%	247	35.3%	687	300	128.9%	433
Tax	83	17	400.3%	63	30.5%	169	67	154.7%	98
PAT	252	65	285.5%	184	36.9%	517	233	121.6%	335
<i>PAT margin</i>	13.9%	3.8%	1,016bps	9.7%	414bps	9.9%	4.5%	542bps	4.8%
Diluted EPS (in INR)	4.22	1.10	283.6%	3.08	37.0%	8.67	3.93	120.6%	5.63

- Total Income grew by 4% YoY to INR 1,814 Crores in Q3FY24 led by strong demand in domestic market
- EBITDA grew by 124% YoY to INR 412 Crores in Q3FY24, the EBITDA margin expanded by 1,223 bps YoY to 22.7% due to Strong Order Book, Economies of Scale and Operational efficiencies
- Highest ever PAT of INR 252 Crores, up by 286% YoY to in Q3FY24 on account of reduction in interest cost due to reduced borrowings and lower interest rate, PAT margin expanded by 1,016 bps YoY to 13.9% during the quarter

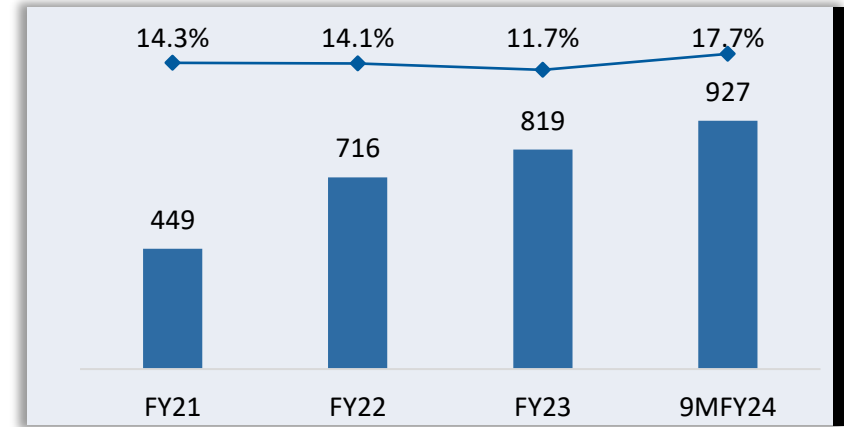
Equity and Liabilities (in INR Crores)	FY23	H1FY24
Share Capital	59	59
Other Equity	4,211	4,417
Total Equity	4,270	4,476
Borrowings	706	523
Deferred Tax Liabilities	348	344
Other Non-Current Liabilities	121	374
Non-Current Liabilities	1,175	1,241
Current Liabilities		
Borrowings	1,730	1,653
Trade Payables	512	534
Other Current Liabilities	405	595
Total Current Liabilities	2,647	2,782
Total Equities and Liabilities	8,092	8,500

Assets (in INR Crores)	FY23	H1FY24
Non-Current Assets		
Plant, Property and Equipment	2,605	2,652
Capital Work in Progress	1,302	1,280
Other Non-Current Assets	273	470
Total Non-Current Assets	4,180	4,402
Current Assets		
Inventories	1,694	1,801
Trade Receivables	1,310	1,272
Cash & Cash Equivalents & Other Bank Balances	383	319
Investments	95	331
Other Current Assets	430	375
Total Current Assets	3,912	4,098
Total Assets	8,092	8,500

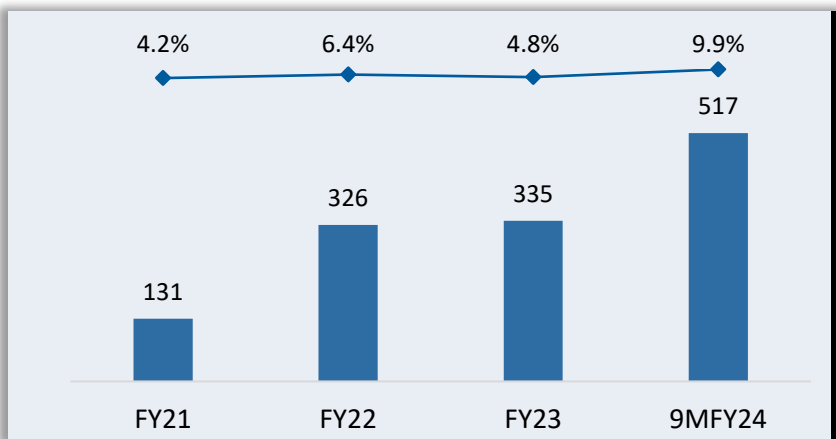
Gross Profit (in INR Crores) & Gross Margin (%)



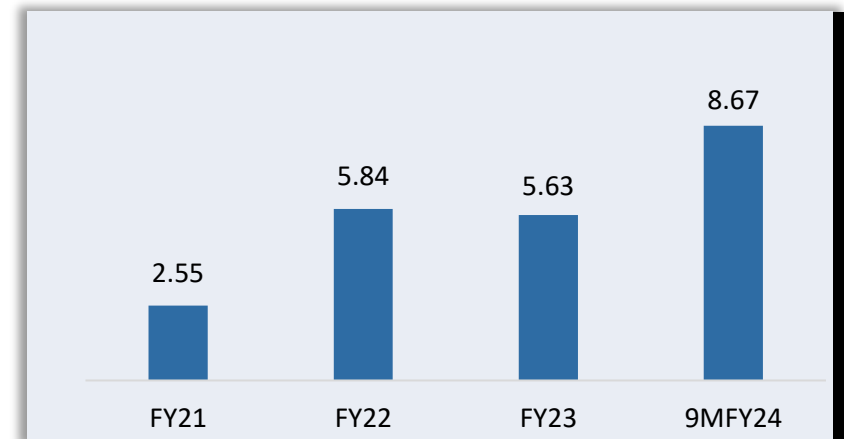
EBITDA (in INR Crores) & EBITDA Margin (%)



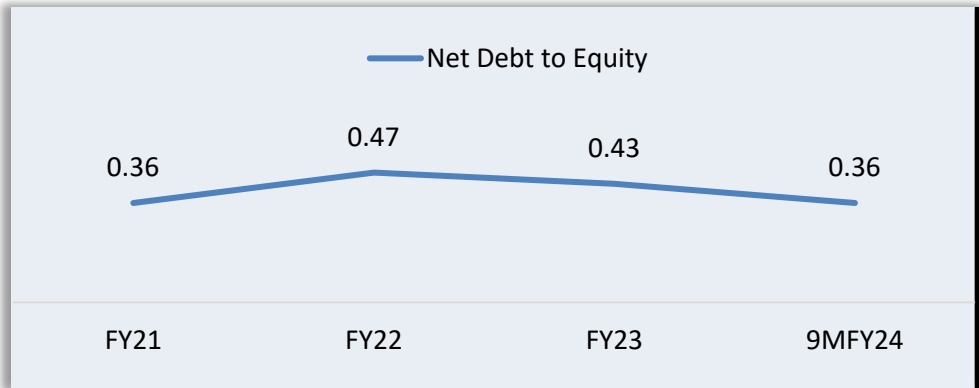
PAT (in INR Crores) & PAT Margin (%)



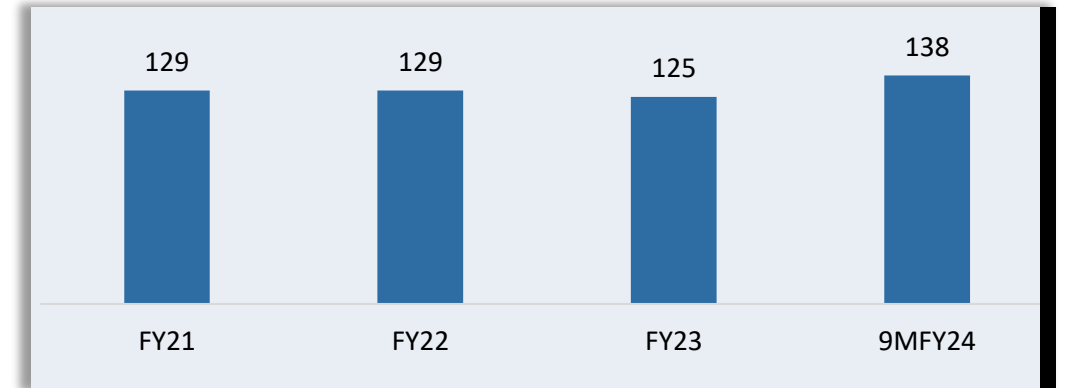
Earnings Per Share (in INR)



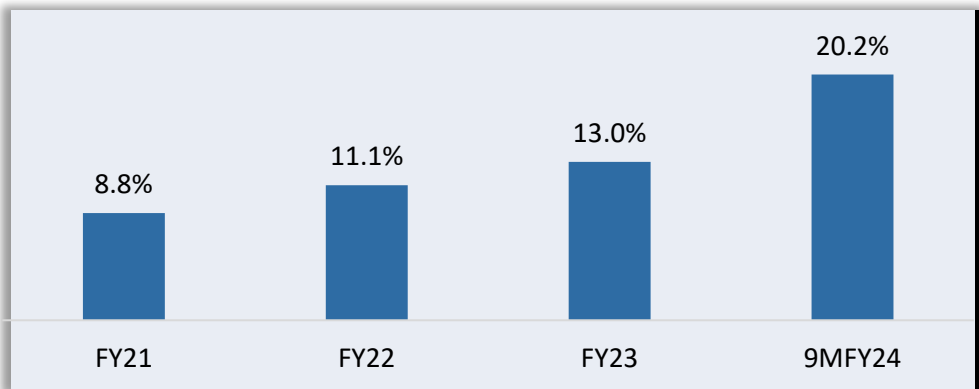
Net Leverage Analysis



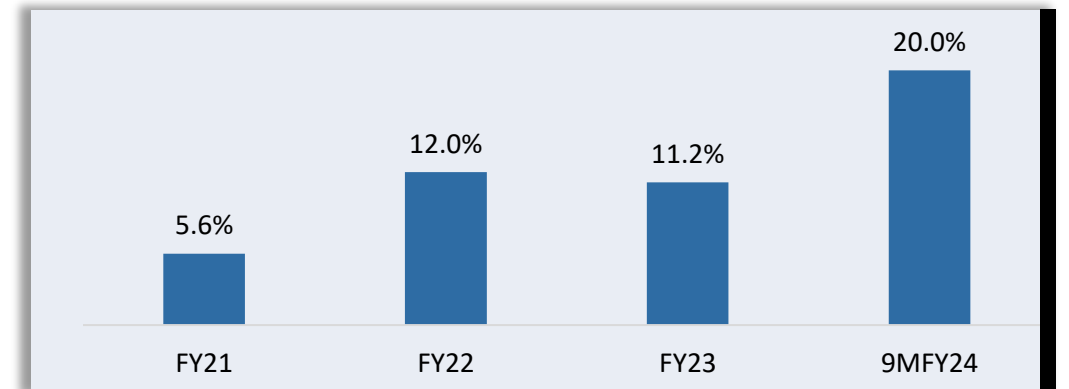
Working Capital Analysis (in Days)



Adjusted Return on Capital Employed*



Adjusted Return on Equity*



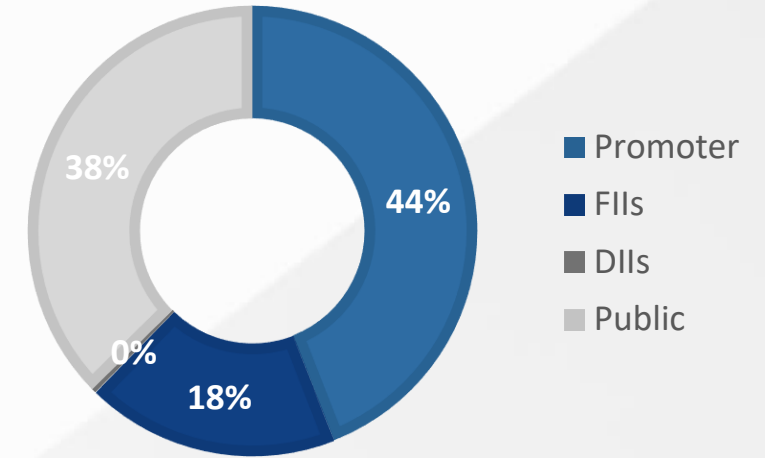
* Adjusted for coking coal mine compensation claim due; H1FY24 is annualised

Capital Market Data

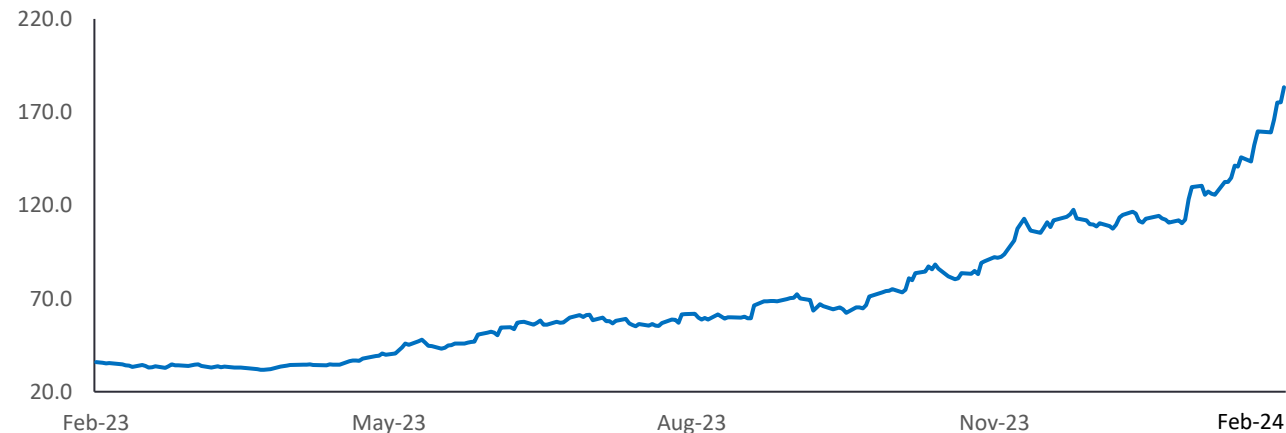
NSE Ticker /BSE Code	ELECTCAST / 500128
Current Market Price (as on 08 Feb 2024)	184
Market Cap (INR Crores) (as on 08 Feb 2024)	10,964
52 Week High/Low	204.4/31.4
Shares Outstanding, Crores	59.5
3M ADTV* (Shares) as on 31 st December 2023	6.9 Mn

*3M ADTV: 3 Months Average Daily Turnover of NSE

Shareholding Pattern December 2023 (%)



Share Price Movement (1 Year)



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Q3 & 9MFY24

Earnings Conference Call
February 13, 2024, 2:00 P.M. IST

Management Representatives

Mr. Uddhav Kejriwal – Whole-time Director

Mr. Madhav Kejriwal – Whole-time Director

Mr. Ashutosh Agarwal – Whole-time Director & Chief Financial Officer

Mr. Gaurav Somani – Joint General Manager - Finance

Dial in Details:

Electrosteel Castings Limited Q3 & 9MFY24 Earnings Call

Universal Dial In

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International Toll Free

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USA – 18667462133

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Hong Kong – +852 800964448

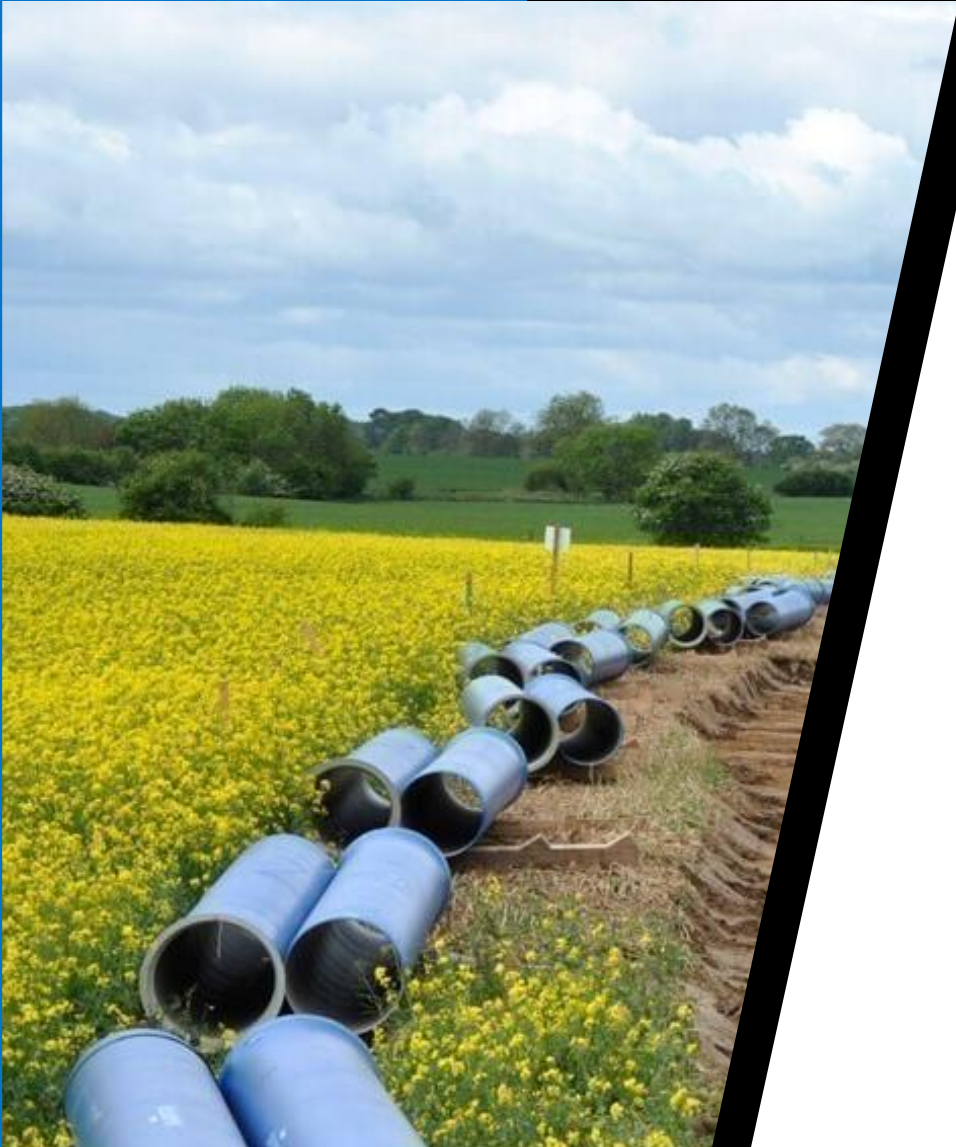
Diamond Pass

[Diamond Pass Link](#)

For further details, please contact:

E: vikash.verma1@in.ey.com /
hiral.keniya@in.ey.com

Note: When using dial-in numbers mentioned above please do so 10 minutes prior to the conference schedule to ensure that you are connected to your call in time.



Appendix



