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Equities and Research

Nelcast Ltd

Q2FY27 Result Update

04 Nov 2026

- ✓ A record Q2FY27, with revenue up 35.9% Y-o-Y to Rs. 406 cr, EBITDA up 92% to Rs. 33 cr (8.1% margin) & PAT surging 241% to Rs. 16.2 cr, as operations normalised post Q1
- ✓ Exports were a standout, rising 78.3% Y-o-Y to Rs. 140.9 cr; H1FY27 revenue grew 18.5% to Rs. 747 cr and PAT grew 23.6% Y-o-Y to Rs. 21.3 cr.
- - The company's market capitalisation has fallen below our minimum threshold for coverage. Accordingly, we are discontinuing coverage but will continue to monitor developments and may revisit the company at an appropriate time.

The company is witnessing an operational turnaround, with new programmes supporting growth prospects. We will reassess coverage once its market capitalisation exceeds our Watch Zone threshold.

Rating	NA

CMP	Rs. 163 29x FY26 EPS & 14x FY26 EV/EBITDA

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Q2FY27 Results Summary (Consolidated)

(In Rs. cr)

Description	Q2FY27	Q1FY27	Q2FY26	Q-o-Q	Y-o-Y
Net Sales	**406**	341	**299**	**19%**	**35.9%**
COGS	(183)	(162)	(137)	13%	34%
Gross Profit	223	**179**	162	25%	38%
Gross Margin	***55.0%***	**52.6%**	***54.2%***	**243bps**	**80bps**
Employee Cost	(23)	(24)	(21)	-4%	8%
Power and Fuel	(36)	(32)	(32)	11%	11%
Operating Expenses	(132)	(108)	(92)	23%	44%
EBITDA	**33**	**16**	**17**	**108%**	**92%**
EBITDA Margin	***8.1%***	**4.6%**	***5.7%***	**346bps**	**236bps**
Depreciation	(7)	(7)	(7)	2%	6%
EBIT	**26**	**9**	**11**	190%	145%
EBIT Margin	***6.4%***	**2.6%**	***3.5%***	**375bps**	**284bps**
Other Income	4	4	4	-17%	-16%
Finance Cost	(7)	(7)	(8)	13%	-12%
PBT	**22**	**7**	**6**	**229%**	**246%**
PBT Margin	***5.4%***	**2.0%**	***2.1%***	**345bps**	**329bps**
Tax	(6)	(2)	(2)	272%	260%
Tax Rate	***26.3%***	**23.2%**	***25.2%***	**306bps**	**107bps**
PAT	16.2	**5.1**	4.8	215%	241%
PAT Margin	***4.0%***	**1.5%**	***1.6%***	**249bps**	**240bps**
EPS	1.9	**0.6**	0.5	215%	240%

Revenue Y-o-Y	PAT Y-o-Y	EBITDA Y-o-Y
36%	241%	92%

Source: Company, Spark PWM Pvt. Ltd.

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Nelcast Ltd – Q2FY27 Result Update

CMP **Rs. 163** | Rating **NA**

Nelcast Ltd - Our Commentary On Results

- A record quarter – highest-ever quarterly revenue and profitability, with operations fully normalised following the softer first quarter.
- Total revenue rose 35.9% Y-o-Y to Rs. 406 cr, aided by strong volumes, better realisations and a sharp pick-up in exports.
- EBITDA increased 92% Y-o-Y to Rs. 33 cr, with margins expanding 236 bps Y-o-Y to 8.1%. EBITDA/kg improved to Rs. 14.3 from Rs. 9.5 in Q1FY27, as transient cost pressures eased.
- PAT more than tripled to Rs. 16.2 cr (+240.7% Y-o-Y). For H1FY27 revenue grew 18.5% to Rs. 747 cr and PAT grew 23.6% Y-o-Y to Rs. 21.3 cr
- Exports were the standout performer, rising 78.3% Y-o-Y to Rs. 140.9 cr (H1FY27: Rs. 254.1 cr, +30.7%), supported by strong customer indications, market-share gains in North American M&HCVs and the China+1 / Europe+1 shift.

Key highlights

- New products: Heavy-tractor casting programmes, including ~500 kg single castings, have moved into production, with ramp-up underway. A more meaningful contribution is expected from Q4FY27 onwards, extending into FY28.
- Exports: Management expects export growth to outpace domestic growth, targeting ~50% growth over the next 2–3 years as new programmes scale up and global customers increasingly source castings from India.
- Maiden foray into machining: The investment is linked to an awarded customer programme and will enable value addition through the manufacture of sub-assemblies. Management expects healthy returns once operations ramp up, with full deployment expected by H2FY28.
- Demand mix: M&HCV demand remains strong and is expected to drive growth in H2, more than offsetting a moderation in tractor demand following a healthy first half. Management expects H2FY27 performance to be better than H1FY27.
- Profitability: Near-to-medium term EBITDA/kg is targeted at ~Rs. 15, with more upside potential; FY27 volumes on track to exceed 1 lakh tonnes.

Financials and Estimates Summary

Particulars (Rs. cr)	Revenue	EBITDA	EBITDA %	PAT	EPS	RoE %	RoCE %	P/E	EV/EBITDA
FY23	1,264	79	6%	30	3.4	7%	8%	48	20
FY24	1,267	92	7%	54	6.3	8%	8%	35	17
FY25	1,252	89	7%	37	4.3	6%	8%	41	18
FY26	1,328	110	8%	48	5.6	8%	10%	29	14

Source: Company reports, Bloomberg, Midas Research

04 Nov 2026

Industry	Castings & Forgings

Key Stock Data

Bloomberg	NELC IN
Shares o/s (cr)	8.7
Market Cap (Rs. cr)	1,413
52-wk High/Low	173/86
20D ADV (In '000)	1,327
Index	BSE Industrials
F&O	N

Latest Shareholding (%)

	Sep 26	Jun 26	Mar 26
Promoters	74.9	74.9	74.9
Institutions	0.1	0.5	0.5
Public	25.0	24.6	24.7
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1M	3M	12M
NELC	34.4	34.1	40.6
BSE Industrials	-1.3	-4.3	2.9

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Financial Summary

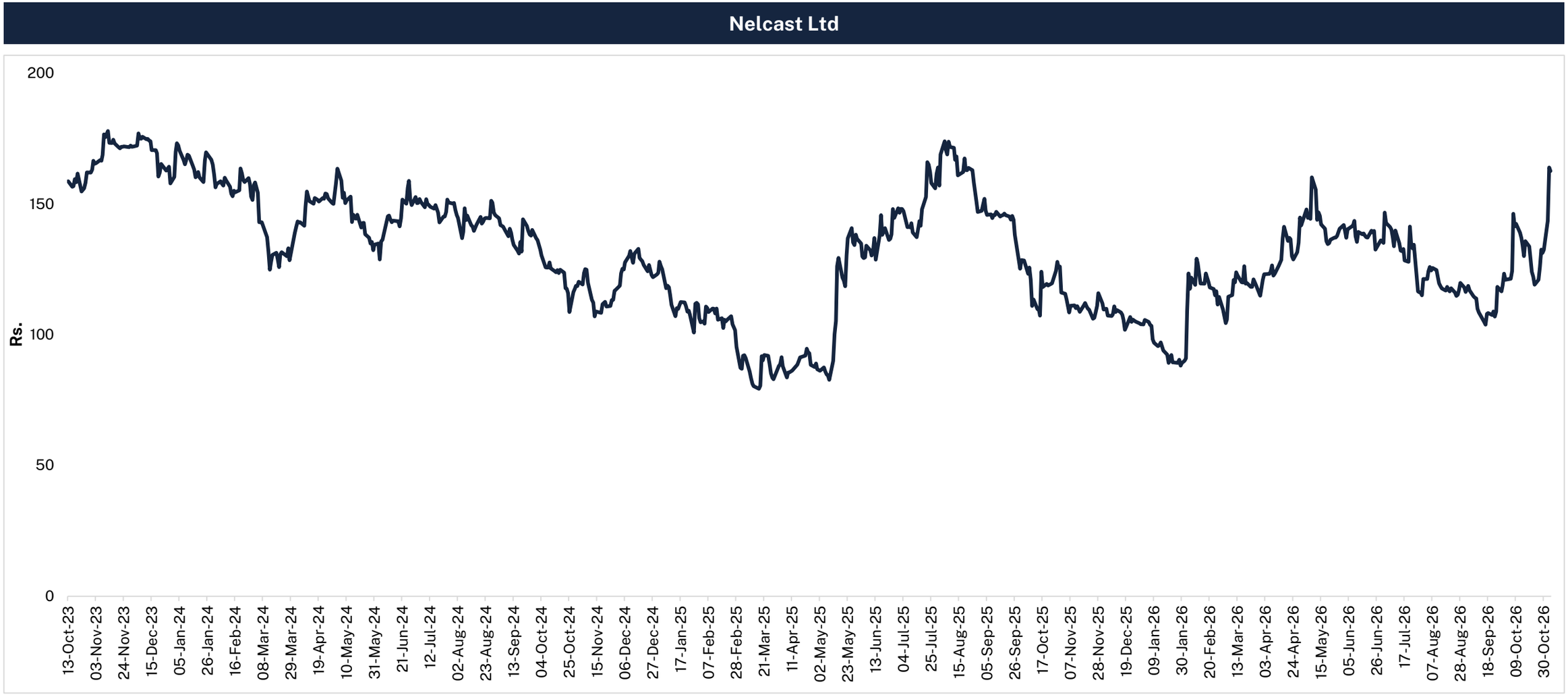
All figures in Rs. cr

Particulars	FY23	FY24	FY25	FY26
Profit & Loss				
Revenue	1,264	1,267	1,252	1,328
Gross profit	631	708	702	748
EBITDA	79	92	89	110
Depreciation	(24)	(24)	(25)	(27)
EBIT	55	68	64	83
Other Income	16	14	17	14
Interest expense	(31)	(32)	(35)	(33)
Exceptional items	-	18	4	-
PBT	40	69	49	65
Reported PAT (after minority interest)	30	54	37	48
Adj PAT (Excl EI)	30	40	34	48
EPS (Rs.)	3.4	6.3	4.3	5.6
Balance Sheet				
Net Worth	468	519	553	597
Total debt	304	329	294	257
Other liabilities and provisions	47	49	51	54
Total Net worth and liabilities	819	897	899	908
Gross Fixed assets	542	551	636	652
Net fixed assets	459	446	512	503
Capital work-in-progress	13	56	2	0
Investments	11	13	23	24
Cash and bank balances	105	85	78	85
Loans & advances and other assets	(3)	(3)	(1)	(2)
Net working capital	235	298	286	300
Total assets	821	895	900	910
Capital Employed	772	848	847	854
Invested Capital (CE - cash - CWIP)	654	707	767	769
Net debt	199	244	216	172
Cash Flows				
Cash flows from Operations (Pre-tax)	86	35	110	105
Cash flows from Operations (post-tax)	80	19	105	92
Capex	(16)	(64)	(33)	(18)
Free cashflows	64	(44)	72	74
Free cashflows (post interest costs)	33	(76)	37	41
Cash flows from Investing	(23)	(31)	(38)	(11)
Cash flows from Financing	(71)	(38)	(61)	(76)
Total cash & liquid investments	**105**	**85**	**78**	**85**

Particulars	FY23	FY24	FY25	FY26
Growth ratios (%)				
Revenue	36.3%	0.2%	-1.2%	6.1%
EBITDA	36.5%	16.3%	-4.1%	24.8%
Adj PAT	107.0%	35.8%	-14.3%	40.6%
Margin ratios				
Gross	49.9%	55.8%	56.1%	56.3%
EBITDA	6.3%	7.3%	7.1%	8.3%
Adj PAT	2.3%	3.2%	2.8%	3.6%
Performance ratios				
Pre-tax OCF/EBITDA	108.2%	38.0%	124.8%	94.8%
OCF/IC (%)	12.3%	2.7%	13.7%	11.9%
RoE (%)	6.5%	8.1%	6.4%	8.4%
RoCE (%)	7.6%	8.4%	7.5%	9.8%
Fixed asset turnover (x)	2.3	2.3	2.0	2.0
Total asset turnover (x)	1.5	1.4	1.4	1.5
Financial stability ratios				
Net Debt to Equity (x)	0.4	0.5	0.4	0.3
Net Debt to EBITDA (x)	2.5	2.6	2.4	1.6
Interest cover (x)	1.8	2.2	1.8	2.6
Working capital days	68	86	83	83
Valuation metrics				
Fully Diluted Shares (cr)	8.7	8.7	8.7	8.7
Market cap (Rs.cr)				**1,413**
P/E (x)	47.7	35.1	41.0	29.2
P/OCF(x)	17.6	73.8	13.5	15.4
EV (Rs.cr) (ex -CWIP)				**1,585**
EV/ EBITDA (x)	20.0	17.2	17.9	14.3
EV/ OCF(x)	19.7	82.8	15.1	17.3
FCF Yield	2.3%	-5.4%	2.6%	2.9%
Price to BV (x)	3.0	2.7	2.6	2.4
Dividend pay-out (%)	12%	6%	12%	22%
Dividend yield (%)	0.1%	0.1%	0.1%	0.1%
Cash as a % of CE	13.6%	10.0%	9.2%	9.9%

Source: Company, Spark PWM Pvt. Ltd.

3-year Price Chart



Disclaimer (1/2)

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BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	**SELL**	Stock expected to fall >10% over a 1-year horizon

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