

Market Cap.

Rs. 1,323 Cr.

52 Week H/L

Rs.1,543/541

CMP

Rs.810

Target Price

Rs. 1,465

AUTO

STOCK DATA

BUY

Reuters Code ALIO.BO
Bloomberg Code ALIC IN

BSE Code 531147
NSE Symbol ALICON

Face Value Rs.5

Shares Outstanding 1.6 Cr.

Avg. Daily Volume (6m) 20,239 Shares

Price Performance (%)

1M	3M	6M
(19)	21	(13)

200 days EMA Rs.913

SHARE HOLDING (%)

Promoters 54.01

FII 0.16

FI / MF 11.89

Bodies Corporate 0.74

Public & Others 33.20

Alicon Castalloy Ltd has recently announced its performance for the quarter ended June 30, 2025. Following are the key financial highlights:

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Net Sales	418.7	440.7	(4.9%)	426.6	(1.8%)
EBITDA	50.4	58.2	(13.4%)	47.7	5.6%
EBITDA Margin	12.0%	13.2%	(120 bps)	11.2%	80 bps
Profit before Tax	12.5	25.4	(50.8%)	13.1	(4.5%)
Profit (loss) after Tax	9.3	46.1	(79.8%)	9.4	0.0%
PAT Margin	2.2%	4.8%	(260 bps)	2.2%	0 bps
EPS	5.7	11.7	(51.3%)	5.8	(1.7%)

Highlights from the Quarter (Q1FY26):

Alicon Castalloy Ltd (ACL) reported marginally weak revenues in the first quarter of FY26, with revenues falling 4.9% YoY to Rs.418.7cr. This is primarily due to a dip in exports volume, which led to margin compression as well on a YoY basis. EBITDA for Q1FY26 stood at Rs.50.4cr, a slight increase of 5.6% from the previous quarter, but down 13.4% as compared to the same quarter in the preceding year. Net profit stood at Rs.9.3cr, largely stable on a QoQ basis. An exceptional item of Rs.2.5cr related to an out-of-court settlement for a legal case in the U.S. court impacted the reported PAT. Without this exceptional item, PAT would have been higher.

ACL's current order book is around Rs.9100cr, executable until FY29. This order book is skewed towards the four-wheeler segment, with Passenger Vehicle contributing 51% and Commercial Vehicle 30%, totaling around 81%. The company is focusing on moving from low-margin products (two-wheeler) to high-margin products (passenger and commercial vehicles), including parts for hybrid and pure EV vehicles.

Regarding the tariffs announced by the U.S., the management mentioned that the direct impact for the company is mitigated as customers pay the duty, however, the long term impact will need to be assessed over time.

The management currently expects to achieve revenue in the range of Rs.1,900cr to Rs.1,950cr in FY26, translating to a top-line growth of 12% to 14%. The company remains optimistic for FY26, anticipating EBITDA margins to be at 13%.

OUTLOOK AND VALUATION

Currently, we are revising our target price for Alicon Castalloy Ltd from Rs.1806 to Rs.1465, due to a slowdown in revenue and a negatively impacted product mix in the last few quarters. However, we still remain bullish over the long run, due to the various growth factors prevalent for the company. We expect FY27E revenue at Rs.2104.8cr, EBITDA of Rs.289.9cr at an EBITDA margin of 13.8% and PAT of Rs.95.3cr. We estimate FY27E EPS at Rs.58.6, and assign a PE multiple of 25x, revising the target price to Rs.1465 (upside ~80.8%) from the current market price of Rs.810. We keep our BUY Rating for Alicon Castalloy Ltd over an investment horizon of 24 months.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY24	1,563.2	199.1	12.7%	61.3	3.9%	38.1	21.3	8.0	2.4
FY25	1,723.8	197.9	11.5%	46.1	2.7%	28.6	28.3	8.1	2.2
FY26 E	1,896.2	244.1	12.9%	58.8	3.1%	36.2	22.4	6.5	2.0
FY27 E	2,104.8	289.9	13.8%	95.3	4.5%	58.6	13.8	5.5	1.8

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Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
26-Aug-2024	Re-Instating Coverage	Buy	1,409.0	1,806
21-May-2025	Q4FY25 Update	Buy	773.0	1,806

PROFIT & LOSS STATEMENT

(Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26e	FY27e
Revenue	1,563	1,724	1,896	2,105
Raw Material Cost	756	898	933	1025
Employee Cost	200	203	227	252
Other Expenses	408	425	492	538
EBITDA	199	198	244	290
<i>EBITDA Margin (%)</i>	<i>12.7%</i>	<i>11.5%</i>	<i>12.9%</i>	<i>13.8%</i>
Depreciation	78	91	127	129
EBIT	122	107	117	161
<i>EBIT Margin (%)</i>	<i>7.8%</i>	<i>6.2%</i>	<i>6.2%</i>	<i>7.7%</i>
Finance Costs	41	45	39	34
Other Income	0	0	0	0
Profit before Tax	81	62	78	127
Tax Expense	20	16	20	32
Adjusted PAT	61	46	59	95
<i>Net Margin (%)</i>	<i>3.9%</i>	<i>2.7%</i>	<i>3.1%</i>	<i>4.5%</i>
Adjusted EPS	38.1	28.6	36.2	58.6

BALANCE SHEET

(Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26e	FY27e
PP&E (incl. CWIP)	411	503	528	536
Right of Use Assets	29	24	24	24
Other Non-Current	94	92	95	99
Goodwill	-	-	-	-
Inventories	136	134	141	160
Trade Receivables	523	498	539	587
Cash and Bank Balances	11	11	6	15
Other Current Assets	27	33	30	41
Total Assets	1,230	1,295	1,363	1,462
Equity Share Capital	8	8	8	8
Reserves & Surplus	547	585	629	709
Non-Controlling Interests	-	-	-	-
Borrowings	121	118	134	129
Other Non-Current Liabilities	39	28	28	28
Trade Payables	246	245	285	317
Other Financial Liabilities	64	60	64	62
Current Borrowings	185	228	193	186
Other Current Tax Liab & Provisions	19	23	22	24
Total Liabilities	1,230	1,295	1,363	1462

Source: Company, Sushil Finance Research

CASH FLOW STATEMENT

(Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26e	FY27e
PBT	81	62	78	127
Depreciation	78	91	127	129
Interest	41	45	39	34
CFO before Working Cap chg	199	198	244	290
Chg in Inventories	17	2	(7)	(19)
Chg in Trade Receivables	(82)	25	(41)	(48)
Chg in Trade Payables	27	(2)	40	31
Chg in Other Adjustments	(3)	(18)	-	-
Cash Flow from Operations	157	205	237	254
Interest Paid	(41)	(45)	(39)	(34)
Dividend Paid	(14)	(13)	(15)	(15)
Income Taxes Paid	(20)	(16)	(20)	(32)
Other Adjustments	23	51	(14)	(24)
Cash Flow from Financing	(51)	(22)	(87)	(105)
Capital Expenditure	(105)	(184)	(151)	(137)
Other Adjustments	(2)	1	(4)	(4)
Cash Flow from Investing	(107)	(183)	(155)	(141)
Opening Cash	12	12	12	6
Total Cash Flow	(1)	0	(6)	9
Closing Cash	12	12	6	15

Source: Company, Sushil Finance Research

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY24	FY25	FY26e	FY27e
<u>Growth (%)</u>				
Revenue	11.3%	10.3%	10.0%	11.0%
EBITDA	26.9%	-0.6%	23.4%	18.7%
Net Profit	19.3%	-24.9%	27.6%	62.1%
<u>Profitability (%)</u>				
EBITDA Margin	12.7%	11.5%	12.9%	13.8%
Net Profit Margin	3.9%	2.7%	3.1%	4.5%
ROCE	14.1%	11.3%	12.2%	#VALUE!
ROE	11.0%	7.8%	9.2%	13.3%
<u>Per Share Data (Rs.)</u>				
EPS	38.1	28.6	36.2	58.6
BVPS	344.6	368.2	391.8	441.2
DPS	7.5	7.0	8.0	8.0
CEPS	86.2	85.2	114.1	137.7
<u>Valuation (x)</u>				
P/E	21.3	28.3	22.4	13.8
P/BV	2.4	2.2	2.1	1.8
EV/EBITDA	8.0	8.1	6.5	5.5
P/Sales	0.8	0.8	0.7	0.6
<u>Turnover</u>				
Inventory days	32	28	55	57
Debtor days	122	106	104	102
Creditor days	58	52	55	55

Source: Company, Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%
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Analyst Stock Ownership	Yes
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	Yes
Sushil Financial Services Pvt. Ltd and Group Directors Holding	Yes
Broking Relationship with the company covered	No