

Elecon's standalone Q1FY16 Net Revenue at Rs 97.6 crore; PAT up 186%, net margins improved by 236 bps

Vadodara, India, August 14, 2015: Elecon Engineering Company Limited, one of the largest manufacturers of gears in Asia today announced its financial results for the first quarter ended June 30th, 2015(Q1FY16).

Performance Highlights

Standalone Q1FY16 review (Unaudited) (Y/Y %)

- Total Operating revenue was Rs 97.6 crore as compared to Rs 95.9 crore during the corresponding period of previous year.
- EBITDA stood at Rs 22.9 crore as compared to Rs 17.6 crore during the corresponding period of previous year, an increase of 30%.
- EBITDA Margin at 23.5% for Q1FY16 as against 18.6% in Q1FY15, up 515 bps.
- Net profit stood at Rs 3.6 crore for Q1FY16 as compared to Rs 1.2 crore in the corresponding period of the previous year, an increase of 186%.
- Basic EPS stood at Rs 0.33 as against Rs. 0.11 in Q1FY15, an increase of 186%

Consolidated Q1FY16 (Unaudited) (Y/Y %)

- Total Operating revenue was Rs 257.1 crore as compared to Rs 267.9 crore during the corresponding period of previous year.
- EBITDA stood at Rs 30.8 crore as compared to Rs 26.1 crore during the corresponding period of previous year, an increase of 18%.
- EBITDA Margin at 12.0 % for Q1FY16 as against 9.7% in Q1FY15, up 224 bps.
- Profits after taxes, minority interest and share of profit/ (loss) of associates stood at Rs 4.1 crore for Q1FY16 as compared to a loss of Rs 6.7 crore in the corresponding period of the previous year.
- Basic EPS stood at Rs 0.38 for Q1FY16

Order Book Position (Gear Division)

| Particulars (Values in Cr) | Q1FY16 | Q4FY15 | Q3FY15 | Q2FY15 | Q1FY15 | Q4FY14 |
|----------------------------|--------|--------|--------|--------|--------|--------|
| Orders Booked | 140 | 152 | 106 | 107 | 118 | 159 |
| Order Pending | 261 | 234 | 263 | 275 | 287 | 266 |

Commenting on the Company's performance for FY2015, **Mr. Prayasvin Patel, CMD** said "We are pleased to begin first quarter of this financial year with a healthy operational performance. The Y/Y% upswing in the EBITDA reflects our efforts spent in improving the overall manufacturing resource of the Company. We have been working very hard in implementing the Total productivity Management across the divisions and I am happy that we have also been able to reduce our overheads as a result of that. From a topline perspective, I believe the economic activity is still taking time to recover, while we are getting more than usual enquiries for the new business as reflected in the order book, I believe our customers are deferring their decisions on execution. Nonetheless, we are very confident that in the medium to long term, the favorable government policies will start yielding constructive results"

Financial Highlights- Q1FY16 Standalone

Standalone Profit and Loss account for the Quarter (Unaudited)

| Particulars (Rs. Cr.) | Q1FY16 | Q1FY15 | Y/Y% | Q4FY15 | Q/Q% | FY15 |
|---|-------------|-------------|-------------|--------------|-------------|--------------|
| Income from Operations | | | | | | |
| Net Sales/ Income from Operations | 96.3 | 94.8 | | 174.6 | | 497.8 |
| Other Operating Income | 1.3 | 1.1 | | 1.4 | | 5.4 |
| Total Income from Operations (Net) | 97.6 | 95.9 | 2% | 176.0 | -45% | 503.2 |
| Expenses | | | | | | |
| (a) Cost of Material Consumed | 67.3 | 56.3 | | 88.8 | | 264.0 |
| (b) Purchase of stock in trade | - | - | | - | | - |
| (c) Changes in inventories/WIP | (20.4) | (4.3) | | 7.1 | | 12.9 |
| (d) Employee Benefit Expense | 9.9 | 8.9 | | 8.2 | | 36.9 |
| (e) Depreciation & Amortization | 11.6 | 14.0 | | 14.9 | | 51.6 |
| (f) Other Expenditure | 17.9 | 17.4 | | 29.9 | | 82.8 |
| Total Expenses | 86.3 | 92.3 | | 148.9 | | 448.3 |
| EBIT Before Other Income / Exceptional Items | 11.3 | 3.6 | 214% | 27.1 | -58% | 54.9 |
| Other Income | 2.3 | 5.8 | | 13.1 | | 22.7 |
| EBIT Before Exceptional Items | 13.7 | 9.5 | 45% | 40.2 | -66% | 77.6 |
| Finance Costs | 7.9 | 7.6 | | 7.8 | | 30.0 |
| PBT Before Exceptional Items | 5.7 | 1.8 | 211% | 32.4 | -82% | 47.6 |
| Exceptional Item | - | - | | - | | - |
| PBT | 5.7 | 1.8 | 211% | 32.4 | -82% | 47.6 |
| Tax Expense | 2.2 | 0.6 | | 9.6 | | 14.5 |
| PAT | 3.6 | 1.2 | 186% | 22.8 | -84% | 33.2 |
| Paid-up Equity Share Capital (Face Value of share Rs 2 each) | 21.8 | 21.8 | | 21.8 | | 21.8 |
| Earnings Per Share | | | | | | |
| Basic EPS (Not annualized) | 0.33 | 0.11 | 186% | 2.09 | -84% | 3.05 |
| Diluted EPS (Not annualized) | 0.33 | 0.11 | 186% | 2.09 | -84% | 3.05 |

Financial Highlights- Q1FY16 Consolidated

Consolidated Profit and Loss account for the Quarter (Unaudited)

| Particulars (Rs. Cr.) | Q1FY16 | Q1FY15 | Y/Y% | Q4FY15 | Q/Q% | FY15 |
|---|--------------|--------------|-------------|--------------|-------------|----------------|
| Income from Operations | | | | | | |
| Net Sales/ Income from Operations | 251.4 | 264.8 | | 458.1 | | 1,311.8 |
| Other Operating Income | 5.8 | 3.0 | | 5.9 | | 17.1 |
| Total Income from Operations (Net) | 257.1 | 267.9 | -4% | 464.0 | -45% | 1,328.9 |
| Expenses | | | | | | |
| (a) Cost of Material Consumed | 178.4 | 172.4 | | 266.8 | | 787.4 |
| (b) Purchase of stock in trade | 4.8 | 1.9 | | 8.5 | | 6.5 |
| (c) Changes in inventories/WIP | (30.9) | (14.9) | | 11.2 | | 29.8 |
| (d) Employee Benefit Expense | 34.9 | 38.9 | | 32.3 | | 143.3 |
| (e) Depreciation & Amortization | 16.3 | 19.4 | | 20.2 | | 71.6 |
| (f) Other Expenditure | 39.2 | 43.5 | | 61.0 | | 192.2 |
| Total Expenses | 242.7 | 261.2 | | 400.0 | | 1,230.7 |
| EBIT Before Other Income / Exceptional Items | 14.5 | 6.6 | 119% | 64.0 | -77% | 98.2 |
| Other Income | 2.7 | 4.7 | | 11.1 | | 16.6 |
| EBIT Before Exceptional Items | 17.1 | 11.3 | 52% | 75.1 | -77% | 114.8 |
| Finance Costs | 14.2 | 17.8 | | 24.7 | | 80.9 |
| PBT Before Exceptional Items | 2.9 | (6.5) | 145% | 50.5 | -94% | 33.9 |
| Exceptional Item | - | - | | - | | - |
| PBT | 2.9 | (6.5) | 145% | 50.5 | -94% | 33.9 |
| Tax Expense | 2.2 | 0.8 | | 10.9 | | 16.8 |
| PAT | 0.7 | (7.3) | 110% | 39.5 | -98% | 17.1 |
| Share of Profit / (loss) of associates | (0.0) | 0.1 | | 0.1 | | 0.2 |
| Minority interest | 3.5 | 0.6 | | (7.9) | | (1.0) |
| PAT after taxes, minority interest and share of profit/ (loss) of associates | 4.1 | (6.7) | 162% | 31.7 | -87% | 16.3 |
| Paid-up Equity Share Capital (Face Value of share Rs 2 each) | 21.8 | 21.8 | | 21.8 | | 21.8 |
| Earnings Per Share | | | | | | |
| Basic EPS (Not annualized) | 0.38 | (0.61) | 162% | 2.91 | -87% | 1.50 |
| Diluted EPS (Not annualized) | 0.38 | (0.61) | 162% | 2.91 | -87% | 1.50 |

About Elecon Engineering Company Ltd.

Elecon Engineering Company Ltd (BSE code: 505700, NSE code: ELECON) is one of Asia's largest gear manufacturing Company with vast experience of about five decades and significant business presence in India and abroad. The Company designs and manufactures worm gears; parallel shaft and right angle shaft; helical and spiral level helical gears; fluid geared and flexible couplings, as well as planetary gear boxes.

The Company through its subsidiary Elecon EPC also manufacturers material handling equipment, mining equipment, casting processes amongst others. The company was incorporated in 1960 by Shri Ishwarbhai B Patel and has its headquarters in Vallabh Vidyanagar, Gujrat.

For more info visit: <http://www.elecon.com>

If you have any questions or require further information, please feel free to contact

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