

Elecon Engineering announces Q1FY20 Results

STANDALONE Q1FY20 NET REVENUE AT RS. 213.3 CRORES

Vallabh Vidyanagar, India, July 26, 2019- Elecon Engineering Company Limited (“Elecon”), one of the largest manufacturers of gears in Asia and a leading player in MHE segment, announces its financial results for the **First Quarter (Q1FY20)** period ended June 30, 2019.

Financial Performance

Standalone Q1FY20 Review

- Total Operating income was Rs. 213.3 Crores for Q1FY20 as compared to Rs. 234.5 Crores in the corresponding period of the previous year, reflecting a decline of 9.0%
- EBITDA stood at Rs. 29.6 Crores as compared to Rs. 32.6 Crores during the corresponding period of previous year, a decline of 9.2%
- EBITDA Margin at 13.9% for Q1FY20 as against 13.9% in Q1FY19
- Profit Before Tax stood at Rs. 2.0 Crores for Q1FY20 as compared to Rs 5.2 Crores in the corresponding period of the previous year, a decline of 61.5%
- Net Profit stood at Rs. 1.3 Crores for Q1FY20 as compared to Rs. 3.4 Crores in the corresponding period of the previous year, a decline of 61.8%

CONSOLIDATED Q1FY20 REVIEW

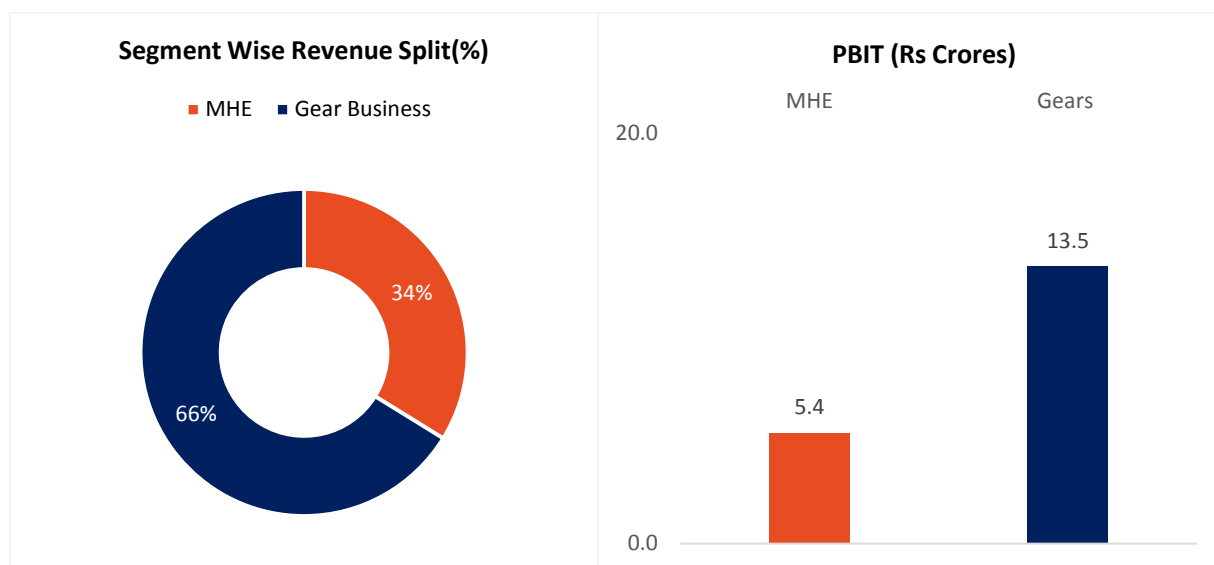
- Total Operating income was Rs. 271.4 Crores for Q1FY20 as compared to Rs. 303.5 Crores in the corresponding period of the previous year, reflecting a decline of 10.6%
- EBITDA stood at Rs. 32.8 Crores as compared to Rs. 39.2 Crores during the corresponding period of previous year, a decline of 16.3%
- EBITDA Margin at 12.1% for Q1FY20 as against 12.9% in Q1FY19
- Profit Before Tax stood at Rs. 1.4 Crores for Q1FY20 as compared to Rs. 9.7 Crores in the corresponding period of the previous year, a decline of 85.6%
- Net profit stood at Rs. 0.5 Crores for Q1FY20 as compared to Rs. 7.5 Crores in the corresponding period of the previous year, a decline of 93.3%

Management Comments

Commenting on the Company’s performance for Q1FY20, **Mr. Prayasvin Patel, CMD** said *“The first quarter of the fiscal has been challenging as we experienced slowdown in the economy. We foresee weak demand scenario in the near term and continue to focus on cost rationalization and improving operational efficiencies across the organization. Our debt reduction plan is on track and we continue to focus on streamlining our Material Handling*

division. We remain positive on the Company's growth prospects in the long term and are confident of continuing with the improved performance in the future."

Segment Wise Performance (Q1FY20)



Performance of the overseas subsidiary

During the quarter, our overseas business under Benzlers and Radicon registered revenue of Rs. 57.3 Crores with EBITDA of Rs. 2.0 Crores.

Order Book and Outlook

During the quarter, we booked orders worth Rs. 119.15 Crores in gear business. This translates to an order backlog of Rs. 731.15 Crores for execution in the near to medium term. In the material handling business, we closed orders worth Rs. 185.16 Crores. The pending order book for MHE business now stands at Rs. 526.35 Crores.

About Elecon Engineering Company Limited

Elecon Engineering Company Ltd (BSE code: 505700, NSE code: ELECON) is one of Asia's largest gear manufacturing Company with vast experience of about six 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 also manufactures 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, Gujarat. For more info, visit: www.elecon.com

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

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