

Elecon Engineering announces Q2FY20 Results

CONSOLIDATED H1FY20 NET REVENUE AT RS. 537.5 CRORES

Vallabh Vidyanagar, India, October 22, 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 **second quarter (Q2FY20) and six months (H1FY20)** period ended September 30th, 2019.

Financial Performance

Standalone Q2FY20 Review

- Total Operating income was Rs. 205.7 Crores for Q2FY20 as compared to Rs. 259.7 Crores in the corresponding period of the previous year, reflecting a decline of 20.8%
- EBITDA stood at Rs. 35.4 Crores as compared to Rs. 34.0 Crores during the corresponding period of previous year, an increase of 4.1%
- EBITDA Margin at 17.2% for Q2FY20 as against 13.1% in Q2FY19
- Profit Before Tax stood at Rs. 6.6 Crores for Q2FY20 as compared to Rs 7.8 Crores in the corresponding period of the previous year, a decline of 15.4%
- Net Profit stood at Rs. 4.5 Crores for Q2FY20 as compared to Rs. 3.5 Crores in the corresponding period of the previous year, an increase of 26.5%

Standalone H1FY20 REVIEW

- Total Operating income was Rs. 419.0 Crores for H1FY20 as compared to Rs. 494.2 Crores in the corresponding period of the previous year, reflecting a decline of 15.2%
- EBITDA stood at Rs. 65.0 Crores for H1FY20 as compared to Rs. 66.6 Crores during the corresponding period of previous year
- EBITDA Margin at 15.5% for H1FY20 as against 13.5% in H1FY19
- Net Profit stood at Rs. 5.8 Crores for H1FY20 as compared to Rs. 6.9 Crores in the corresponding period of the previous year

CONSOLIDATED Q2FY20 REVIEW

- Total Operating income was Rs. 266.2 Crores for Q2FY20 as compared to Rs. 320.8 Crores in the corresponding period of the previous year, reflecting an decline of 17.0%
- EBITDA stood at Rs. 43.3 Crores as compared to Rs. 83.1 Crores during the corresponding period of previous year, an decrease of 47.9%
- EBITDA Margin at 16.3% for Q2FY20 as against 25.9% in Q2FY19
- Profit Before Tax stood at Rs. 11.7 Crores for Q2FY20 as compared to Rs. 53.4 Crores in the corresponding period of the previous year, an decrease of 78.1%

- Net profit stood at Rs. 9.8 Crores for Q2FY20 as compared to Rs. 49.4 Crores in the corresponding period of the previous year, a decrease of 80.2%

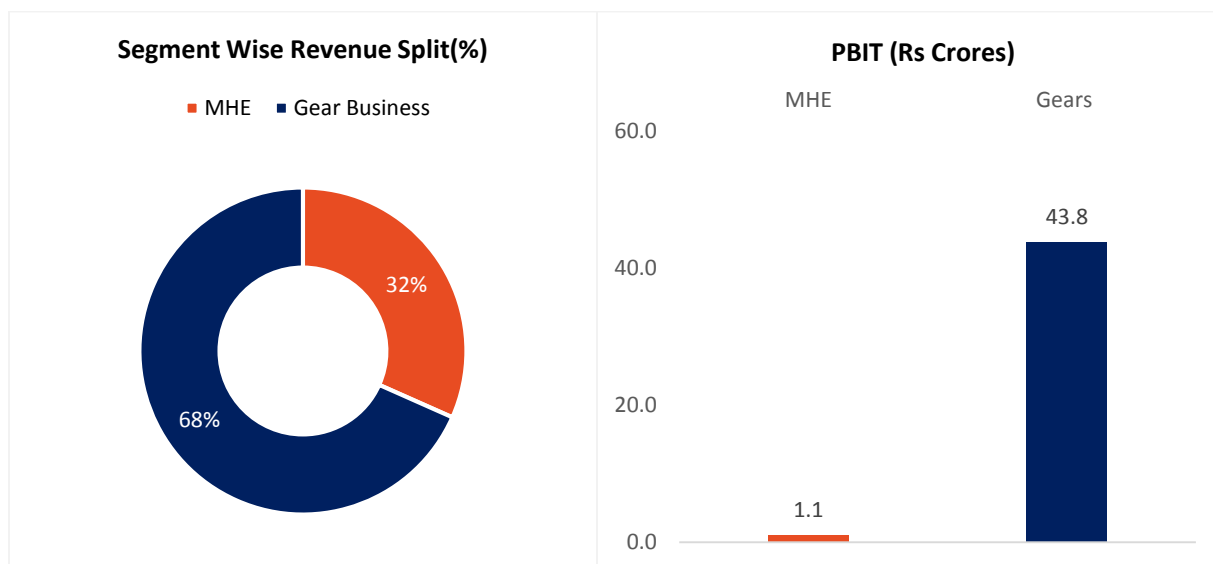
Consolidated H1FY20 Review

- Total Operating income was Rs. 537.5 Crores for H1FY20 as compared to Rs. 624.2 Crores in the corresponding period of the previous year reflecting an decrease of 13.9%
- EBITDA stood at Rs. 76.0 Crores for H1FY20 as compared to Rs. 122.3 Crores during the corresponding period of previous year
- EBITDA Margin at 14.1% for H1FY20 as against 19.6% in H1FY19
- Net Profit stood at Rs. 10.2 Crores for H1FY20 as compared to Rs. 56.9 Crores in the corresponding period of the previous year

Management Comments

Commenting on the Company’s performance for Q2FY20, **Mr. Prayasvin Patel, CMD** said *“We are pleased to report healthy performance in this quarter with improvement in margins and profitability as compared to the preceding quarter. We are witnessing revival in demand scenario and are confident of positive performance in the future led by strong execution and better product mix. We continue to be on track in terms of reduction of debt and recovery of old receivables.”*

Segment Wise Performance (H1FY20)



Performance of the overseas subsidiary

During the quarter, our overseas business under Benzlers and Radicon registered revenue of Rs. 62.15 Crores with EBITDA of Rs. 8.44 Crores.

Order Book and Outlook

During the quarter, we booked orders worth Rs. 135.07 Crores in gear business. This translates to an order backlog of Rs. 737.63 Crores for execution in the near to medium term. In the material handling business, we closed orders worth Rs. 46.70 Crores. The pending order book for MHE business now stands at Rs. 514.48 Crores.

About Elecon Engineering Company Limited

Elecon Engineering Company Limited (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

Kamlesh Shah

Elecon Engineering Company Limited

P: 91-2692-238701/02/03/04

E: kamleshshah@elecon.com

Binay Sarda

Christensen Investor Relations

P: +91 22 4215 0210

E: bsarda@christensenir.com

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors. That could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Elecon Engineering Company Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.