

11th July, 2023

To,

The Manager (Listing), The BSE Ltd. Mumbai	The Manager (Listing), National Stock Exchange of India Ltd. Mumbai
Company's Scrip Code: 505700	Company's Scrip Code: ELECON

Sub : Press Release of Board Meeting held on Tuesday, 11th July, 2023
Ref : Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred Regulation, please find enclosed herewith Press Release giving highlights on the performance of the Company for the Quarter ended 30th June, 2023.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,
 For Elecon Engineering Company Limited,

Bharti Isarani
 Company Secretary & Compliance Officer

Encl.: As above



Cranes



Rubber Industry



Marine Industry



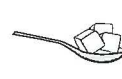
Plastic Industry



Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

Gearing industries. Gearing economies.



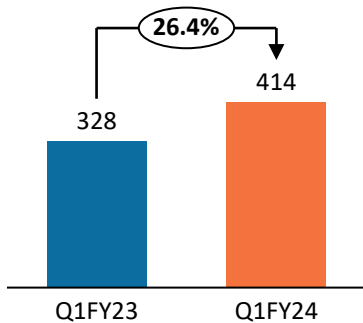
ELECON ENGINEERING COMPANY LIMITED

Strong Q1 FY24 Financial & Operational Performance

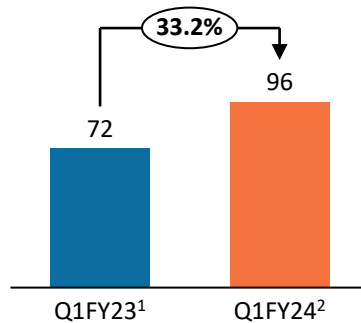
Vallabh Vidyanagar, Gujarat, 11th July 2023 – Elecon Engineering Company Limited, one of the largest solution providers of Industrial Gears in Asia along with Material Handling Equipments, announced its Unaudited Financial Results for the 1st Quarter of FY24 ended 30th June 2023

Q1 FY24 CONSOLIDATED FINANCIAL HIGHLIGHTS

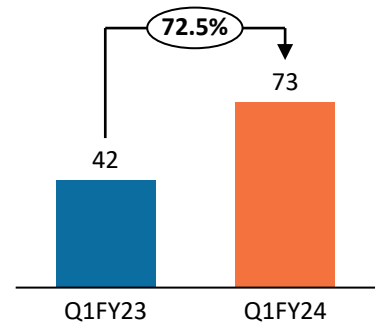
Revenue (Rs. Crs)



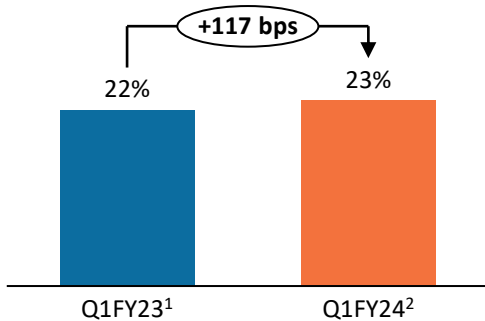
Adj. EBITDA* (Rs. Crs)



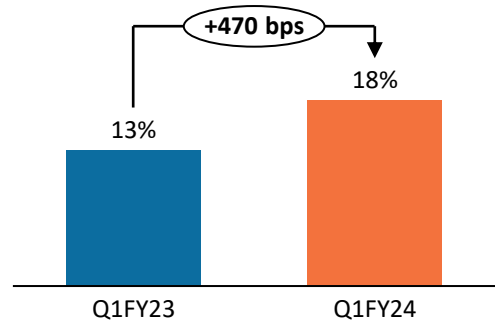
PAT (Rs. Crs)



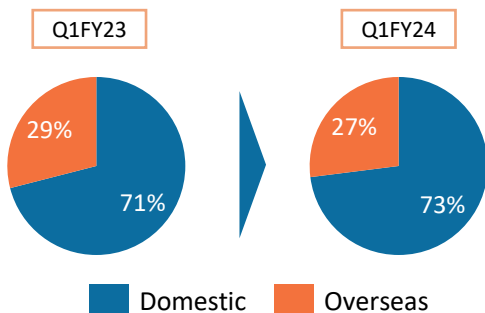
Adj. EBITDA Margin*



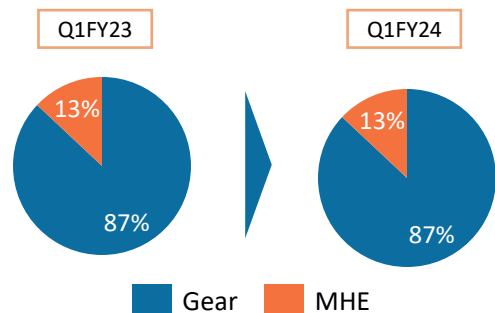
PAT Margin



Geography Wise



Segment Wise



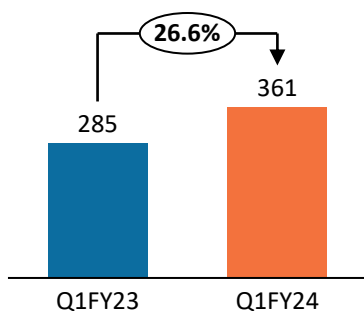
Strong Growth Momentum Continues

*Adjusted EBITDA: ¹INR 6.95 crs in Q1FY23 expenses booked on account of payment to vendors written off in earlier period

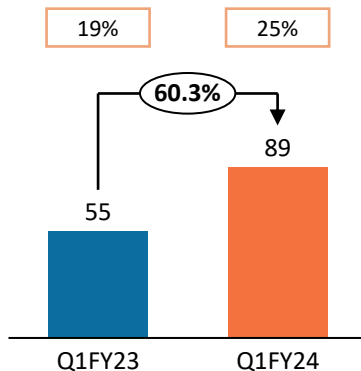
²Normalised for INR 4.3 crs in Q1FY24 on account of reversal of provision to uncertain GST Input Tax Credit of earlier period

Key Consolidated Financial & Operation Highlights - Gear Division

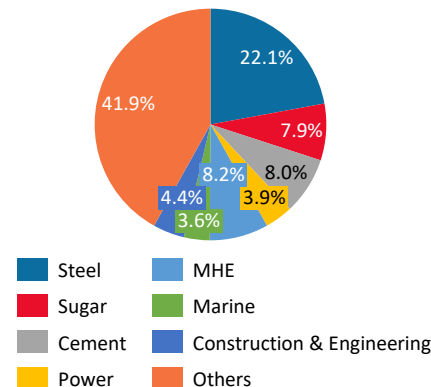
Revenue (Rs. Crs)



EBIT (Rs. Crs)



Order Intake

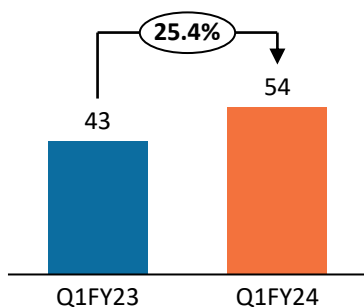


Industrial Gear Division:

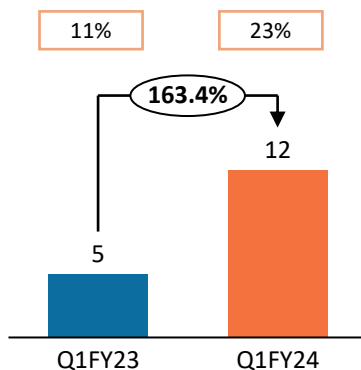
- Revenue for Q1FY24 stood at **Rs. 361 Crs** as compared to Rs. 285 Crs in Q1FY23, **up by 27% on a Y-o-Y basis**
- EBIT for Q1FY24 stood at **Rs 89 Crs** as compared to Rs 55 Crs in the corresponding quarter last year, **a growth of 60%**. EBIT Margins stood at 25% for Q1FY24, **an increase of ~520 bps Y-o-Y**
- Standalone Revenue Mix for Q1FY24:**
 - 47% - Catalogue Products
 - 53% - Engineered Products

Key Consolidated Financial & Operation Highlights - MHE Division

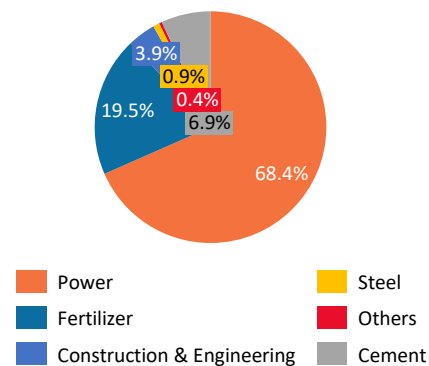
Revenue (Rs. Crs)



EBIT (Rs. Crs)



Order Intake



MHE Division

- Revenue for the quarter stood at **Rs 54 Crs** as compared to Rs 43 Crs in the corresponding quarter last year, **growing 25% YoY**
- EBIT for Q1 FY24 stood at **Rs 12 Crs** registering **a growth of 163% YoY**. The EBIT margins stood at **23%** as against 11% in Q1 FY23, **an improvement of ~1,200 bps Y-o-Y** primarily on account of better product mix & higher contribution from the aftermarket segment
- The company continues to focus on the business of supplying Products & aftermarket business for its MHE segment which has led to sharp turnaround in the profitability for this segment

Consolidated Order Book Position

Witnessing **increased enquiries** across product categories & industries and with **strong executable order book in hand**, the company is optimistic of the growth momentum to sustain going forward

Rs Crore	Order Intake	Open Order
Segment wise Order Book	Q1 FY24	30 th June 2023
Gear Division	446	655
MHE Division	51	138
Total	497	793

Order Book Details:

- **Gear Division:** The order intake during the quarter stood at **Rs 446 Crs, up by 24% on Y-o-Y basis**. Order in Hand is **Rs 655 Crs** as on 30th June 2023
- **MHE Division:** The order intake during the quarter stood at **Rs 51 Crs., up by 13% on Y-o-Y basis**. Order in Hand is **Rs 138 Crs** as on 30th June 2023
- **Total Order Book:** The order Inflow during Q1 FY24 stood at **Rs 497 Crs, up by 22% on Y-o-Y basis** and orders in hand as on 30th June 2023 stands at **Rs 793 Crs**

Q1FY24 Highlights

- **Development on Overseas OEM Business:**
 - **Signed-off Five OEM Business in European market, having annual estimated business volume of ~Euro 5 Million.**
 - Prototype is under development and to be supplied to the OEMs by Q3FY24, commercial production expected to start from FY25
- **Arbitration awards:**
 - Arbitration award withdrawn Rs. **27.4 Crs** upto June 23 out of Rs. **63 Crs** and Rs. **4 Crs** expected to be realized by Q2FY24.
 - Fresh arbitration proceedings initiated having the value of Rs. **31 Crs** during Q1FY24, optimistic of favorable outcomes
- Outstanding Retention as on 30th June 2023 stands at **Rs 52 Crs**
- Capex for Q1FY24 stood at **Rs 20 Crs**
- **Improvement in Credit Ratings:** LT - [ICRA] AA- (Stable); ST: [ICRA] A1+ in June-23 (Previous Credit Ratings: LT- [ICRA] A+ (Stable); ST: [ICRA] A1)
- **Net cash positive** as on 30th June 2023
- Company maintains its revenue guidance of **~Rs. 2,000 Crs by FY24 with an EBIDTA margin of ~22%**
 - Rs. 1,700 Crs for Gear Division
 - Rs. 300 Crs for MHE Division
- Considering opportunities in various parts of the African Continent, company has decided to set up a step-down Wholly Owned Subsidiary (WOS) in South Africa with Assembly and After Sales Service facility

Commenting on the results, **Shri Prayasvin B. Patel, Chairman & Managing Director of Elecon Engineering Co. Ltd.** Said,

“The capex cycle is on a growth trajectory driven by favorable government policies and schemes aimed at supporting infrastructure development. At Elecon, we specialize in providing industry-agnostic gear solutions, which positions us well to capitalize on this upward trend.

*In the Q1 FY24, our consolidated revenues stood at **Rs 414 Crs, reflecting a growth of 26% Y-o-Y.** Our PAT for the quarter stood at **Rs. 73 Crs, up by 72% on Y-o-Y basis.** This outstanding performance is a testimony of our deliberate efforts to develop high-quality products while consistently delivering unbeatable service levels, resulting in new order wins.*

*Elecon maintains its position as the market leader in the Industrial gear Division, with an unparalleled product portfolio. Revenues from the gear division witnessed **a year-on-year growth of 27%.** Additionally, through the cognitive ability and adaptive mindset of our management, we have successfully revitalized the MHE Division, making it profitable once again. We continue to focus on supply of Products & after market business in our MHE business, this segment delivered an **EBIT Margin of 23%,** significant improvement of **~1,200 bps** compared to same quarter last year. We are fully committed to its continued growth.*

*We continue to invest in R&D and Product Development to deliver globally competitive products. The Service levels and lower lead times have enabled us to create a brand for **‘Elecon’** across markets. We envisage to expand our market share by further penetrating into existing geographies and exploring new territories. We continue to make strides to grow our overseas business and the recent development with respect to signing five OEM business in the European market is a positive indicator of our progress.*

With strong order book in hand across segments, continued focus to penetrate the exports markets and maintaining our leadership position in the domestic geography, we are optimistic of sustaining the growth momentum going forward.”

About Elecon Engineering Company Limited:

Elecon Engineering company Limited (ELECON) was established in 1951 and is one of the largest manufacturers of Industrial Gears and Material Handling Equipment with seven decades of experience and expertise in Asia. The company has been able to establish its position as one of Asia's largest and India's Largest Industrial Gear Manufacturing Company, having manufacturing facility spread over 3,35,000 Square Meter. The company has a strong global presence serving 75+ countries through a network of distributors, dealers and customer representatives. The product solutions include designing, manufacturing, supply, erection and commissioning of the products and are majorly used in Cement, Sugar, Defense, Steel, Mining and Power sector along with other sectors

Safe Harbor

This document may contain forward-looking statements about Elecon Engineering Company Limited and its Subsidiaries, which are based on the beliefs, opinions, and expectations of the company's management as the date of this Investor release and the companies do not assume any obligation to update their forward-looking statements if those beliefs, opinions, expectations, or other circumstances should change. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. Consequently, readers should not place any undue reliance on such forward-looking statements.

For more information, please contact

**Company : ELCON ENGINEERING COMPANY LIMITED**

CIN: L29100GJ1960PLC001082

Narasimhan Raghunathan – CFO

Email: narasimhanr@elecon.com

For updates and specific queries, please visit www.elecon.com

SGA Strategic Growth Advisors**Investor Relations : Strategic Growth Advisors**

CIN: U74140MH2010PTC204285

www.sgapl.net

Mr. Sagar Shroff – sagar.shroff@sgapl.net / +91 98205 19303

Ms. Prachi Chhugani – prachi.c@sgapl.net / +91 89492 92029