



Elecon Engineering announces FY20 Results

CONSOLIDATED FY20 NET REVENUE AT RS. 1088.5 CRORES

Vallabh Vidyanagar, India, June 26, 2020- 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 **Fourth Quarter (Q4FY20)** and **Full Year (FY20)** period ended March 31st, 2020.

Financial Performance

Standalone FY20 REVIEW

- Total Operating income was Rs. 835.7 Crores for FY20 as compared to Rs. 955.5 Crores in the corresponding period of the previous year reflecting a decline of 12.5%.
- EBITDA stood at Rs. 114.6 Crores for FY20 as compared to Rs. 135.5 Crores during the corresponding period of previous year, a decline of 15.4%.
- EBITDA Margin at 13.6% for FY20 as against 13.9% in FY19.
- Profit before Tax stood at Rs. 1.3 Crores for FY20 as compared to Rs 27.9 Crores in the corresponding period of the previous year, a decline of 95.4%.
- Net Profit stood at Rs. 72.4 Crores for FY20 as compared to Rs. 12.1 Crores in the corresponding period of the previous year, the profit is due to one-time deferred tax credit.

Consolidated FY20 Review

- Total Operating income was Rs. 1088.5 Crores for FY20 as compared to Rs. 1224.8 Crores in the corresponding period of the previous year reflecting a decline of 11.1%.
- EBITDA stood at Rs. 148.2 Crores for FY20 as compared to Rs. 205.3 Crores during the corresponding period of previous year, a decline of 27.8%.
- EBITDA Margin at 13.5% for FY20 as against 15.9% in FY19.
- Profit before Tax stood at Rs. 19.5 Crores for FY20 as compared to Rs. 88.3 Crores in the corresponding period of the previous year.
- Net Profit stood at Rs. 89.7 Crores for FY20 as compared to Rs. 70.1 Crores in the corresponding period of the previous year, the profit is due to one-time deferred tax credit.

Standalone Q4FY20 Review

- Total Operating income was Rs. 201.7 Crores for Q4FY20 as compared to Rs. 252.1 Crores in the corresponding period of the previous year, reflecting a decline of 20.0%.
- EBITDA stood at Rs. 14.5 Crores as compared to Rs. 38.8 Crores during the corresponding period of previous year, a decline of 62.7%.
- EBITDA Margin at 7.1% for Q4FY20 as against 15.3% in Q4FY19.
- Profit (Loss) before Tax stood at Rs. -13.6 Crores for Q4FY20 as compared to Rs. 8.1 Crores in the corresponding period of the previous year.
- Net Profit stood at Rs. 62.2 Crores for Q4FY20 as compared to Rs. 2.4 Crores in the corresponding period of the previous year, the profit is due to one-time deferred tax credit.

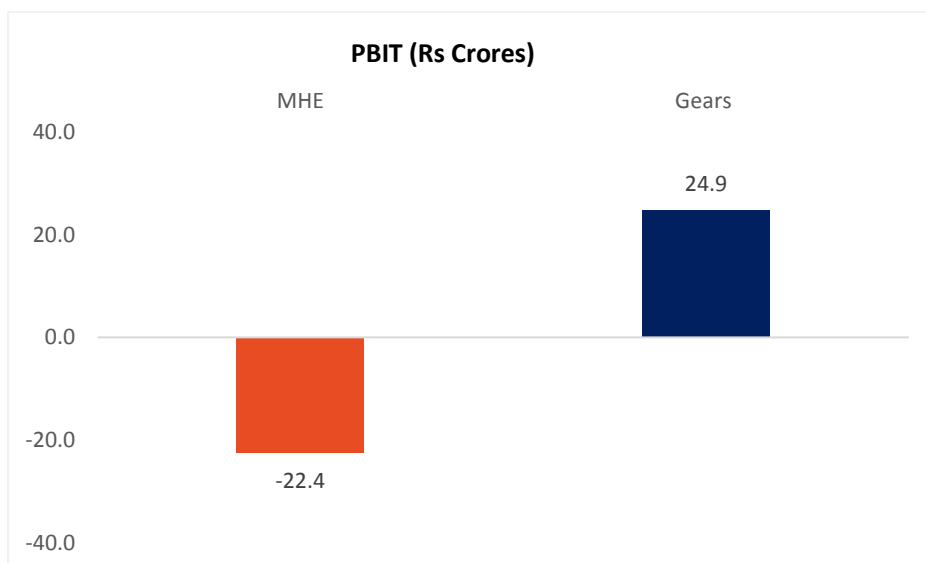
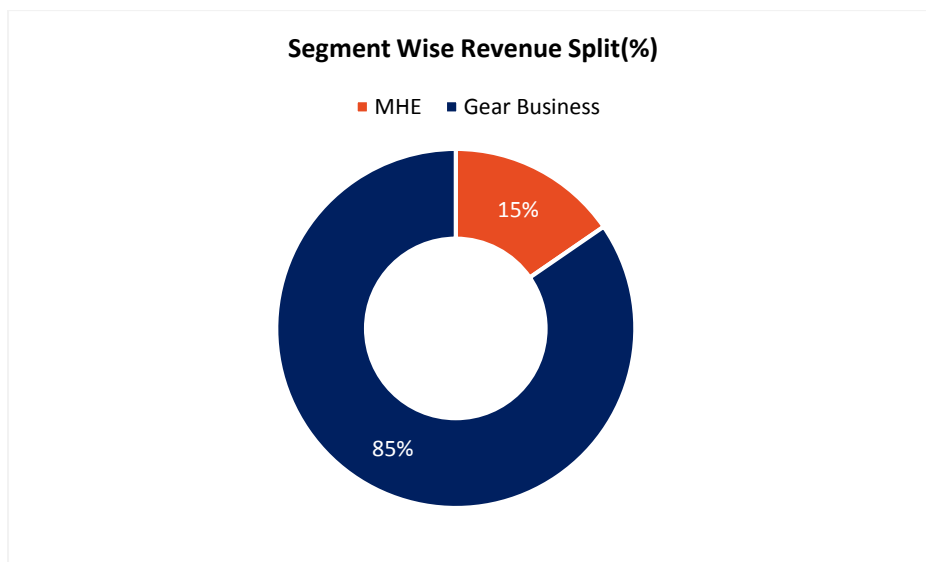
CONSOLIDATED Q4FY20 REVIEW

- Total Operating income was Rs. 268.5 Crores for Q4FY20 as compared to Rs. 328.0 Crores in the corresponding period of the previous year, reflecting a decline of 18.1%
- EBITDA stood at Rs. 28.8 Crores as compared to Rs. 48.8 Crores during the corresponding period of previous year, reflecting a decline of 40.9%.
- EBITDA Margin at 10.7% for Q4FY20 as against 14.9% in Q4FY19
- Profit (Loss) before Tax stood at Rs. -5.8 Crores for Q4FY20 as compared to Rs 16.6 Crores in the corresponding period of the previous year.
- Net Profit stood at Rs. 70.2 Crores for Q4FY20 as compared to Rs. 10.1 Crores in the corresponding period of the previous year, the profit is due to one-time deferred tax credit.

Management Comments

Commenting on the Company's performance, **Mr. Prayasvin Patel, CMD** said *"We are living in challenging times. The Covid-19 pandemic has had an impact on all sectors of the economy and we have also been impacted by the same. Our revenues at about Rs. 1088.5 Crores came in marginally lower than what we did last year and we ended with a consolidated margin of about 14%. This is despite the much weaker performance in the material handling equipment which continues to be faced with multiple headwinds. We remain cautiously optimistic that the Company can see improved performance once the pandemic settles and the economy revives."*

Segment Wise Performance (Q4FY20)



Performance of the overseas subsidiary

During the quarter, our overseas business under Benzlers and Radicon registered revenue of Rs. 66.02 Crores with EBITDA of Rs. 15.25 Crores.

Order Book and Outlook

During the quarter, we booked orders worth Rs. 125.40 Crores in gear business. This translates to an order backlog of Rs. 610.52 Crores for execution in the near to medium term. In the material handling business, we closed orders worth Rs. 49.26 Crores. The pending order book for MHE business now stands at Rs. 512.30 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

Narasimhan Raghunathan

Elecon Engineering Company Limited

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

Email:- narasimhanr@elecon.com

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