



Elecon Engineering

Investor Presentation | FY21

www.elecon.com | BSE: 505700 | NSE: ELECON | Bloomberg: ELCN:IN | Reuters: ELCN.NS

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Financial Performance Q4 & Full Year FY21

Quarterly Performance

Standalone Q4FY21

- ✓ Total operating income was Rs.273 Crores for Q4FY21 as compared to Rs.202 Crores in the corresponding period of the previous year, reflecting a growth of 35%
- ✓ EBITDA stood at Rs.58 Crores as compared to Rs.13 Crores during the corresponding period of previous year, an increase of 346%
- ✓ EBITDA Margin at 21% for Q4FY21 as against 6% in Q4FY20
- ✓ Profit Before Tax stood at Rs.37 Crores for Q4FY21 as compared to Loss before Tax of Rs.14 Crores in the corresponding period of the previous year, an increase of 364%

Consolidated Q4FY21

- ✓ Total operating income was Rs.350 Crores for Q4FY21 as compared to the income of Rs.268 Crores in the corresponding period of the previous year, an increase of 31%
- ✓ EBITDA stood at Rs.74 Crores as compared to Rs.28 Crores during the corresponding period of previous year, an increase of 164%
- ✓ EBITDA Margin at 21% for Q4FY21, as compared to 10% in Q4FY20
- ✓ Profit before Tax stood at Rs.47 Crores for Q4FY21 as compared Loss Before Tax of Rs.6 Crores in the corresponding period of the previous year, an increase of 883%

Annual Performance

Standalone FY21

- ✓ Total Operating income was Rs.796 Crores for FY21 as compared to Rs.836 Crores in the corresponding period of the previous year, a decrease of 5%
- ✓ EBITDA stood at Rs.144 Crores as compared to Rs.105 Crores during the corresponding period of previous year, an increase of 37%
- ✓ EBITDA Margin at 18% for FY21, as compared to 13% in FY20
- ✓ Profit Before Tax stood at Rs.58 Crores for FY21 as compared to Rs.1 Crore in the corresponding period of the previous year, an increase by 57 times

Consolidated FY21

- ✓ Total Operating income was Rs.1045 Crores for FY21 as compared to Rs.1088 Crores in the corresponding period of the previous year, a decrease of 4%
- ✓ EBITDA stood at Rs.187 Crores as compared to Rs.142 Crores during the corresponding period of previous year, an increase of 32%
- ✓ EBITDA Margin at 18% for FY21, as compared to 13% in FY20
- ✓ Profit Before Tax stood at Rs.81 Crores for FY21 as compared to Rs.20 Crores in the corresponding period of the previous year, an increase by 3 times

Order Position

Orders booked in FY21

- ✓ During the year, we booked orders worth Rs.565 Crores in gear business. This translates to an order backlog of Rs.373 Crores for execution in the near to medium term.
- ✓ In the MHE business, we booked orders worth Rs.135 Crores. The pending order book for MHE business now stands at Rs.100 Crores.

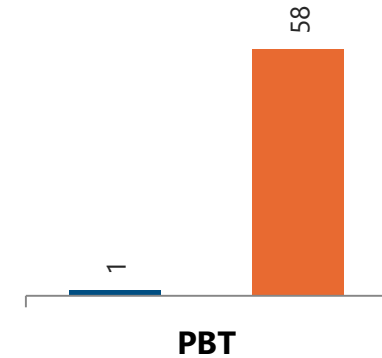
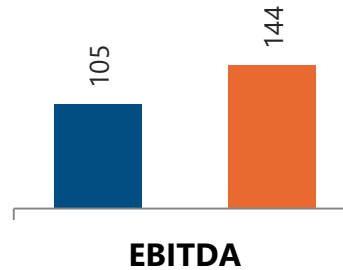
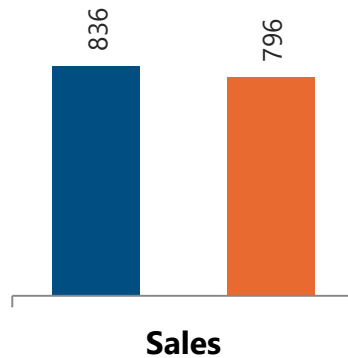
Yearly Performance-FY21

Standalone

In Rs. Cr

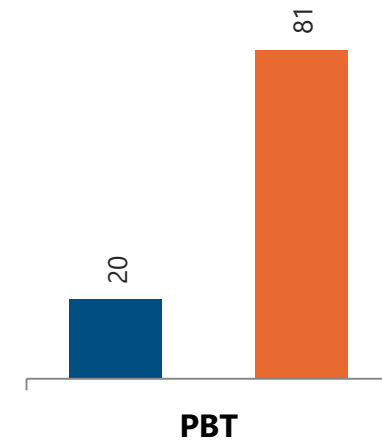
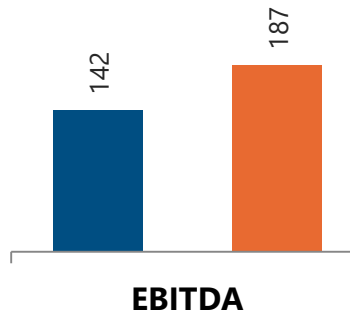
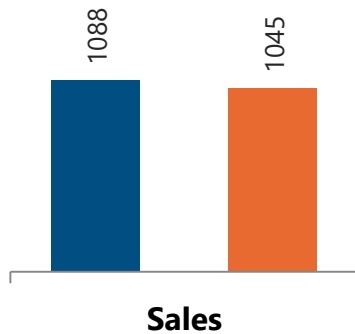
FY20

FY21



Consolidated

In Rs. Cr



Balance Sheet Position

	Standalone		Consolidated	
Particulars (Rs. Cr.)	FY21	FY20	FY21	FY20
Equity and Liability				
Total Equity	819	782	919	854
Non Current Liabilities	166	168	235	266
-Long-term borrowings	116	131	117	146
Current liabilities	717	886	839	1,015
-Short-term borrowings	90	204	130	255
-Trade payables	362	458	424	519
Total Equity and Liability	1,702	1,836	1,993	2,135
Assets				
Non-current assets	775	815	859	899
-Property, plant and equipment	547	585	548	590
-Investments	119	119	31	81
Current assets	927	1,022	1,134	1,236
-Inventories	176	228	250	307
-Trade receivables	467	559	508	612
-Cash and Bank Balances	51	25	141	107
Total Assets	1,702	1,836	1,993	2,135

Operational Highlights FY21

Gears Business - Standalone

Synopsis

- ✓ Largest gear manufacturer in Asia
- ✓ Most comprehensive range of industrial gears under one roof in the world
- ✓ Two broad segments of operation includes catalogue (standard) product and engineered (customized) product

Key Financial Highlights

- ✓ Revenues grew by 8% as compared to previous year.
- ✓ EBITDA margin grew by 38% as compared to previous year.

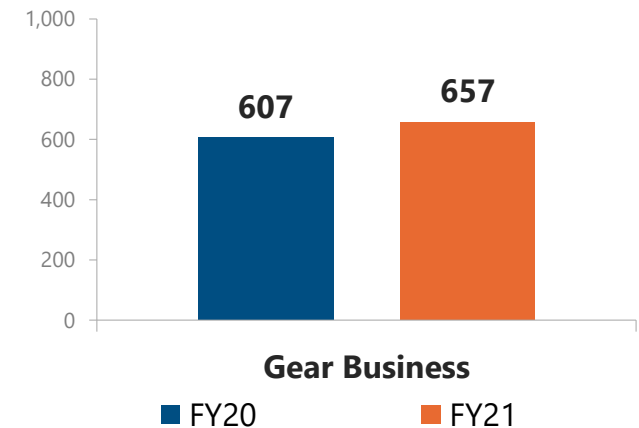
Key Initiatives

Focus given in improving export profitability

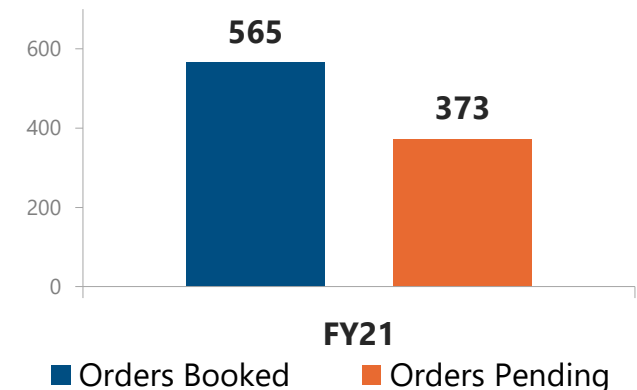
Cost mitigation initiatives taken

Working capital management initiatives taken

Revenue (Rs. Cr)



Order Book Position (Rs Cr)



Gears Business- International

Synopsis

- ✓ Radicon (David Brown) is a brand name known in Europe for over 70 years as an expert in high quality gears
- ✓ Radicon and Benzlers deal - the company's first international acquisition in 2010
- ✓ Paved way for globalising its offering
- ✓ Sales locations to cater global customers

Key Initiatives

Continuously striving for entry into new geographies

Managed BREXIT and COVID-19 impact

Material Handling (MHE) business

Synopsis

- ✓ Focusing on providing product & parts supply

Key Financial Highlights

- ✓ Progress of project-based contracts was slow due to slower progress by PSU customers. It was better in Q4.
- ✓ Expected credit loss increased for certain receivables from customers.

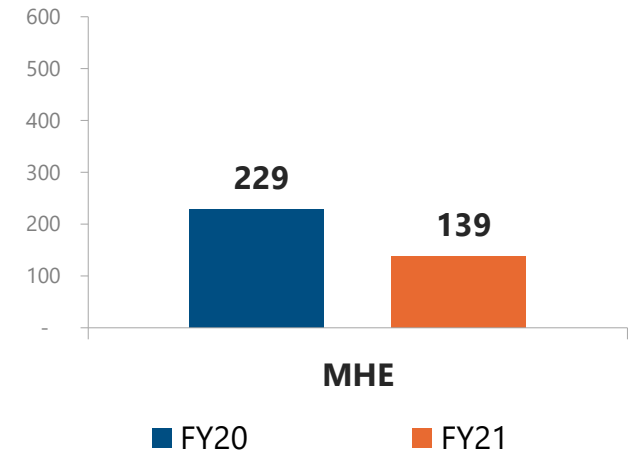
Recent Initiatives

Focusing on closure of projects thereby cost to be controlled and realize the contractual receivables

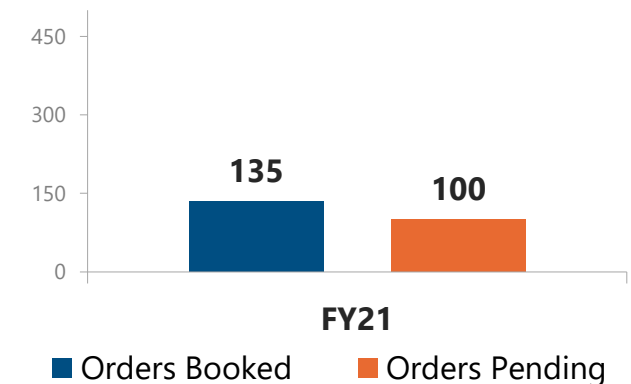
Cost mitigation initiatives taken

Identifying new growth avenues in products and spares business

Revenue (Rs Cr)



Order Book Position (Rs Cr)



Company Overview

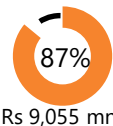
About Us



- Established in the year 1951, Elecon is one of the largest manufacturers of Industrial Gears and Material Handling Equipments in Asia.
- First in India to manufacture sophisticated equipment for bulk Material Handling and a product range that caters to almost every industrial sector in India.
- Expertise in the manufacturing of custom-made Gearboxes for Steel/Cement/Rubber/Sugar Mills, High Speed Turbines, Marine Applications, Plastic Extrusions, Satellites for ISRO, Naval Aircraft carrier, etc.

Key Segment

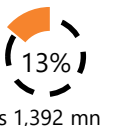
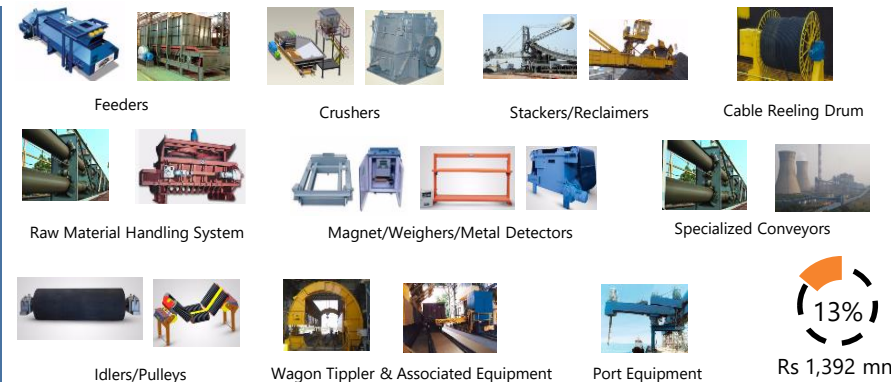
Power Transmission



Rs 9,055 mn

- Largest gearbox manufacturer in Indian subcontinent.
- State of the art manufacturing facility with product portfolios like EON / EOS Series Standard Gearbox, Vertical Rolling Mill (VRM) Gearbox, Marine Gearbox for Warships, Sugar Mill Planetary gearbox, Rolling Mill Pinion Stands etc.

Material Handling Equipment

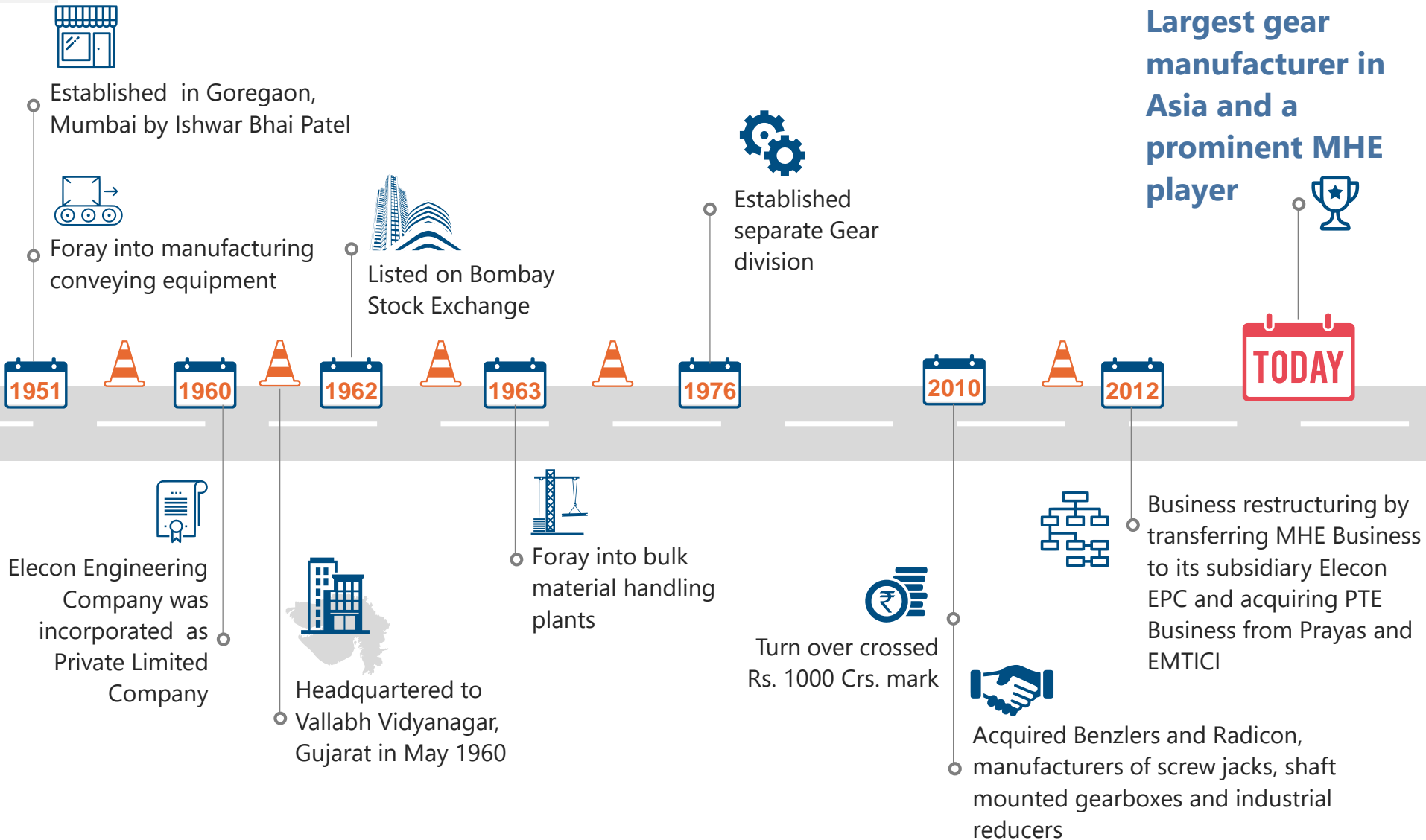


Rs 1,392 mn

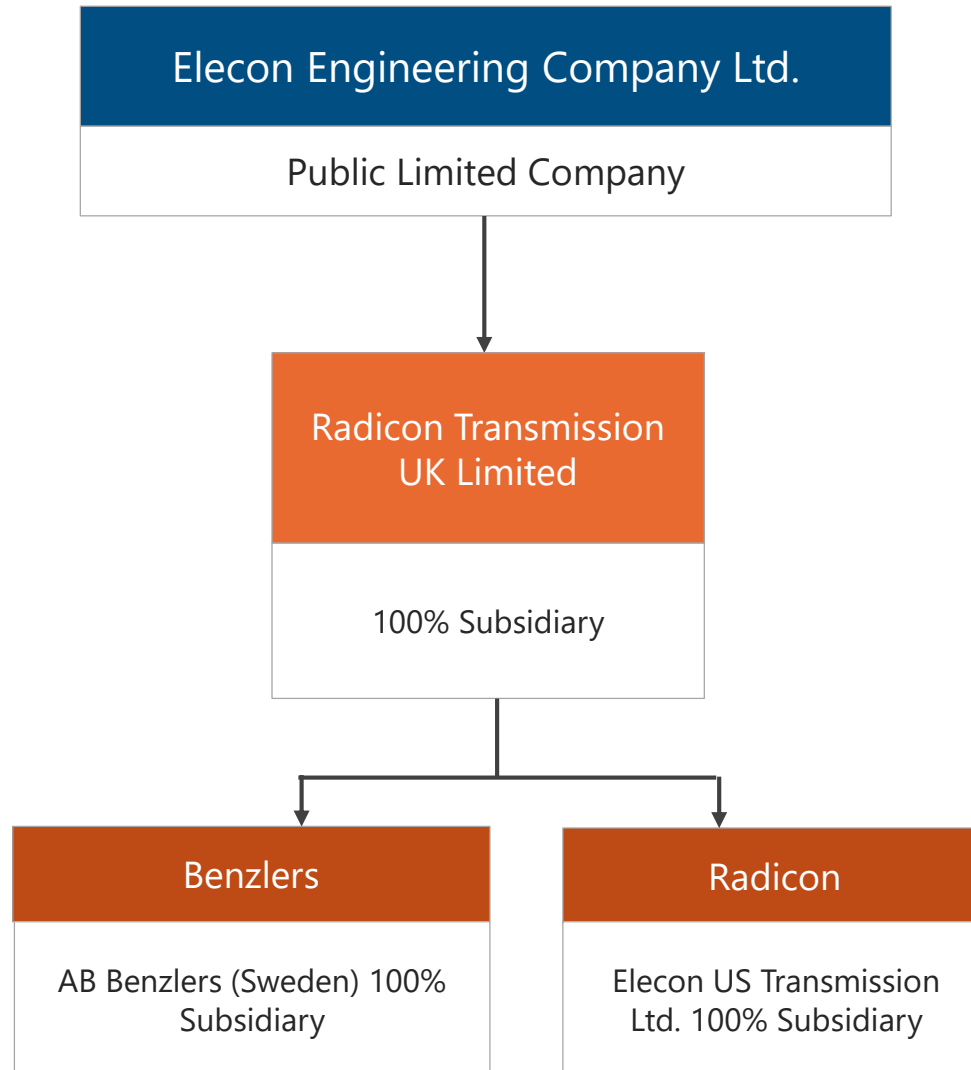
- Expertise in Bulk Material Handling equipment and systems
- Successfully completed Design, engineering, manufacturing, supply and commissioning of various projects

History

**Largest gear
manufacturer in
Asia and a
prominent MHE
player**



Structure-Overseas



Outlook

Economy Outlook



The Indian Engineering Industry

- ✓ The Indian Engineering sector is well poised to return to its growth path supported by favourable government policies and revival in economic growth
- ✓ Investment in sectors like power, steel, mining, infrastructure, oil & gas, etc., have been driving growth in the engineering industry
- ✓ Both Gears and MHE segments are expected to gain from robust demand from mining, steel, power and other infrastructure industries.

Economy



- ✓ Moody's has revised India's FY22 GDP forecast to 9.3% due to disruption created by second wave of Covid-19.
- ✓ However, sizable investments in infrastructure sector and core industries is likely to revive growth engine and boost demand in the long run.

Government Initiatives



- ✓ Government's focus towards infrastructure spending and manufacturing sector in the recently announced budget augurs well for the engineering industry
- ✓ The government announced Rs 1.45 trillion worth of Production Linked Incentive (PLI) scheme in manufacturing industry with an aim to make it globally competitive

Multiple Growth Drivers

Scale

Elecon is the largest manufacturer of gears in Asia, ~30% market share in India



Scope

Encompasses both catalogue and engineered products for all the core industries



Size

Its MHE business has the capacity to address cross industry solutions



Skills

Over 6 decades of industry experience with best of the infrastructure



Synergy

Backward and forward integration of products and services established



Sustainability

a sustainable business model with robust outlook based on economic growth and scale





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