



HAPPY FORGINGS LIMITED

7th November 2024

To,

BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 544057	National Stock Exchange of India Limited Listing Department Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Trading Symbol: HAPPYFORGE
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Sub: Press Release dated 7th November 2024, for Unaudited Financial Results of the Company for the Quarter and half year ended 30th September 2024

Dear Sir(s)/ Madam(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Press Release dated 7th November 2024, with respect to the Unaudited Financial Results of the Company for the Quarter and half year ended 30th September 2024.

Thanking You,

For Happy Forgings Limited

Bindu Garg

Bindu Garg
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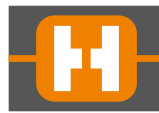


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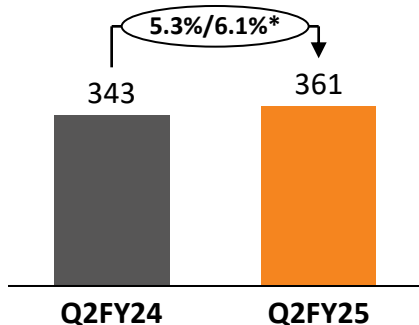
Investor Release: 7th November 2024, Mumbai

Happy Forgings Limited (NSE: HAPPYFORGE, BSE: 544057)

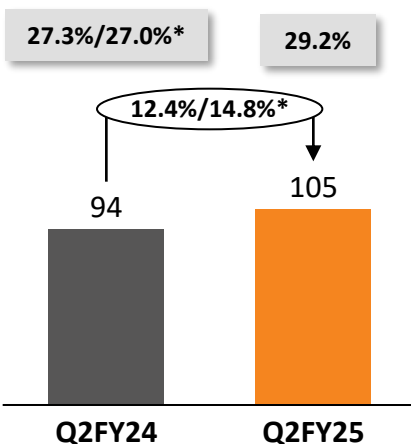
The Board of Directors of Happy Forgings Limited have declared its unaudited financial results for the second quarter & half year ended 30th September 2024.

Financial Highlights (in Rs. Crs)

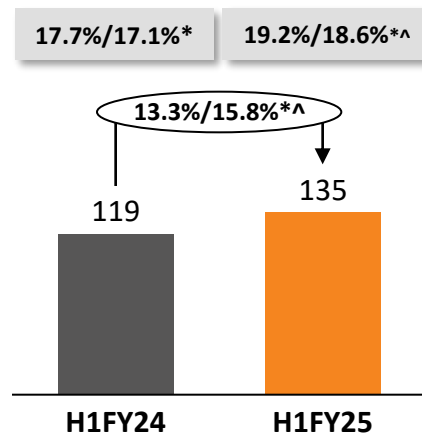
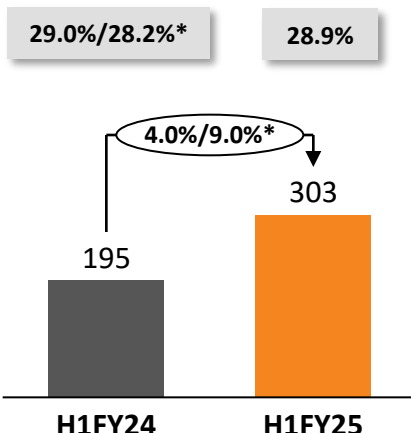
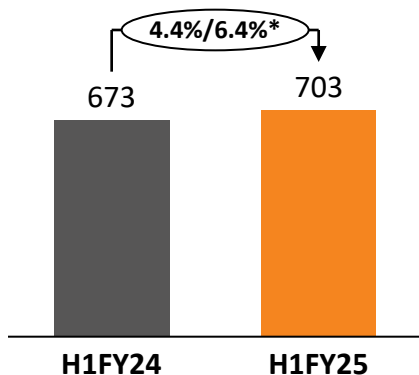
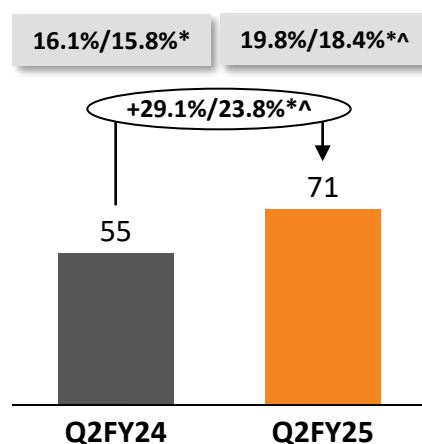
REVENUE FROM OPERATIONS



EBIDTA & EBITDA%



PAT & PAT%



*Revenue, EBITDA, and PAT were favorably impacted by higher realisation on account of air freight costs received on one order (~Rs 13 Crs, ~Rs 9 Crs, and ~Rs 7 Crs in H1FY25; ~Rs 3 Crs, ~Rs 2 Crs, and ~Rs 1 Cr in Q2FY25). Growth and margin percentages are adjusted to exclude this impact.

^In Q2FY25 and H1FY25 other income includes a non-recurring income of Rs. 4.8 Crs. (on a post-tax basis) which has been adjusted in Q2 & H1FY25 PAT margins and yoy PAT growth percentages.

H1FY25 VOLUME AND REALISATION

Particulars	H1FY24	H1FY25	YoY	FY24
Finished Goods Volume (MT)	27,505	28,223	+2.6%	55,379
Realisation/Kg (Rs.)	245/240*	249	+1.8%/3.7%*	245

Realisation improved by Rs. ~9/kg YoY* in H1FY25 despite a fall in raw material costs during the period

*During H1FY24, revenue was favorably impacted by higher realisation on account of air freight costs received on one order by ~Rs. 13 Crs. Adjusting for this impact, adjusted realization in H1FY24 would have been Rs 240/Kg and realization/kg would have grown by ~3.7%

Note – As machining content in finished goods increases, the conversion rate from total volume to finished goods volume tends to decrease.

KEY RATIOS

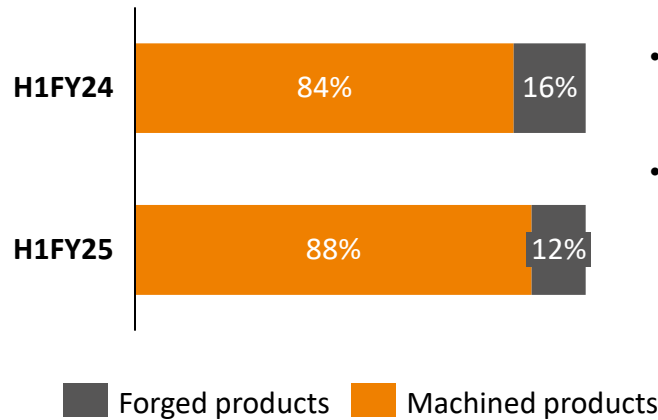
Particulars	H1FY25	FY24
ROE %	16.3%	18.7%
ROCE %*	18.3%	21.8%
Fixed Asset Turnover^	1.2x	1.3x
Net Debt/EBITDA	0.3x	0.1x

*Capital employed used for computing ROCE includes investments. However, other income (including interest income) has not been considered in ROCE calculation. After including other income, ROCE for H1FY25 stands at 20.6% and 22.7% for FY24.

^ Computed on Gross Block



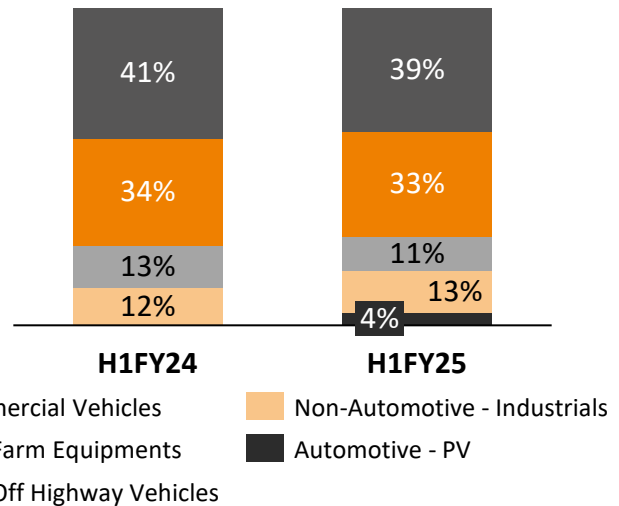
PRODUCT MIX



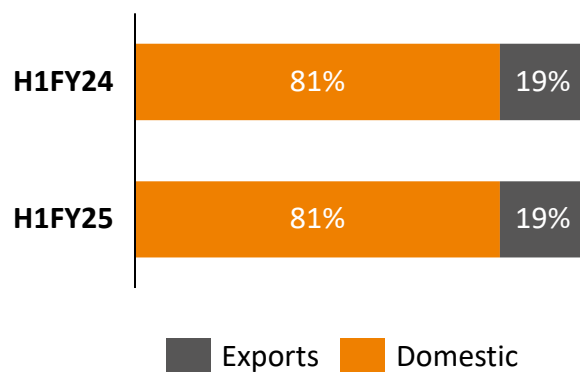
- Contribution of machined products increased from 84% in H1FY24 to 88% in H1FY25
- The demand for high-precision critical safety components stayed strong throughout the period H1FY25

SECTOR MIX*

- Passenger Vehicles revenue contribution stood at 4% in H1FY25
- Industrial segment showcased relatively stronger mid-teens growth in H1FY25 on an adjusted basis



GEOGRAPHY MIX^



- Exports share stood at 19% in H1FY25 & Domestic share stood at 81%

Note: During H1FY24, financials were favorably impacted by higher realisation on account of air freight costs received on one order by ~Rs. 13 Crs

*Sector mix shown in the H1FY24 chart excludes this favorable revenue impact. Including it, the sector mix would be; Commercial Vehicles – 40%, Farm Equipment – 33%, Off-Highway Vehicles – 13% and Industrials – 14%.

^Geography mix shown in the H1FY24 chart excludes this favorable revenue impact, including which geographic mix would be; Domestic – 79% and Exports – 21%

Commenting on the results, **Mr. Ashish Garg, Managing Director** said,

“I am pleased to share our financial and operational performance for Q2 & H1FY25, where we achieved steady, broad-based improvements across revenue, gross profit, EBITDA and PAT.

For Q2FY25, on an adjusted basis, sales grew by 6.1% YoY, with EBITDA by 14.8% and PAT increased by 23.8%. Realizations rose 3.6% to Rs. 253/Kg in Q2, driven by enhanced value addition in our product mix, despite a decline in steel prices. This reflects HFL’s consistent improvement in the product mix that comprises of high-quality, niche, complex and critical machined components, which boosts our realisations and margins. These gains are reflected in our Gross Margin and EBITDA Margin for Q2FY25 which stood at 58.8% and 29.2% respectively, showing YoY growth. This positive yoy improvement is also reflected in absolute headline figures and margins for H1FY25 on an adjusted basis.

In the underlying industry segments, the Commercial Vehicle, Off-Highway, and Industrial sectors are experiencing slowdown in both domestic and export markets, while Farm Equipment is seeing a decline in export markets. Despite these challenges, we have managed to outperform industry growth across most of these segments.

We have successfully expanded our market share through new business while maintaining our share of business in existing accounts. Our focus remains on building a strong pipeline of new opportunities and investing in ramping up our capacities and utilization levels. As market conditions improve, we are confident that we are well-positioned for accelerated growth.

As we navigate dynamic market conditions, our dedicated approach to maintaining a strong balance sheet and commitment to high-quality, value-accretive growth will support us in delivering industry-leading profit margins and strong return ratios.”

About Happy Forgings Limited

The Company is one of the largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in India in terms of forgings capacity.. The Company through its vertically integrated operations is engaged in engineering, process design, testing, manufacturing, and supply of a variety of components that are both margin accretive and value-additive. The Company primarily caters to domestic and global original equipment manufacturers (“OEMs”) manufacturing commercial vehicles in the automotive sector, while in the non-automotive sector, caters to manufacturers of farm equipment, off-highway vehicles and manufacturers of industrial equipment and machinery for oil and gas, power generation, railways and wind turbine industries.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

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