



HAPPY FORGINGS LIMITED

August 07, 2024

To

BSE Ltd, Corporate Relationship Department, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 544057	National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051 Svmbol: HAPPYFORGE
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Sub: Press Release dated 7th August, 2024, for Unaudited Financial Results of the Company for the Quarter ended 30th June, 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 August 2024, with respect to the Unaudited Financial Results of the Company for the Quarter ended 30th June 2024.

Kindly take the same on record.

Thanking You,

For Happy Forgings Limited

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by BINDU GARG
Date: 2024.08.07
17:54:58 +05'30'

GARG

(Bindu Garg)

Company Secretary & Compliance Officer,

M.N F6697

Happy Forgings Limited

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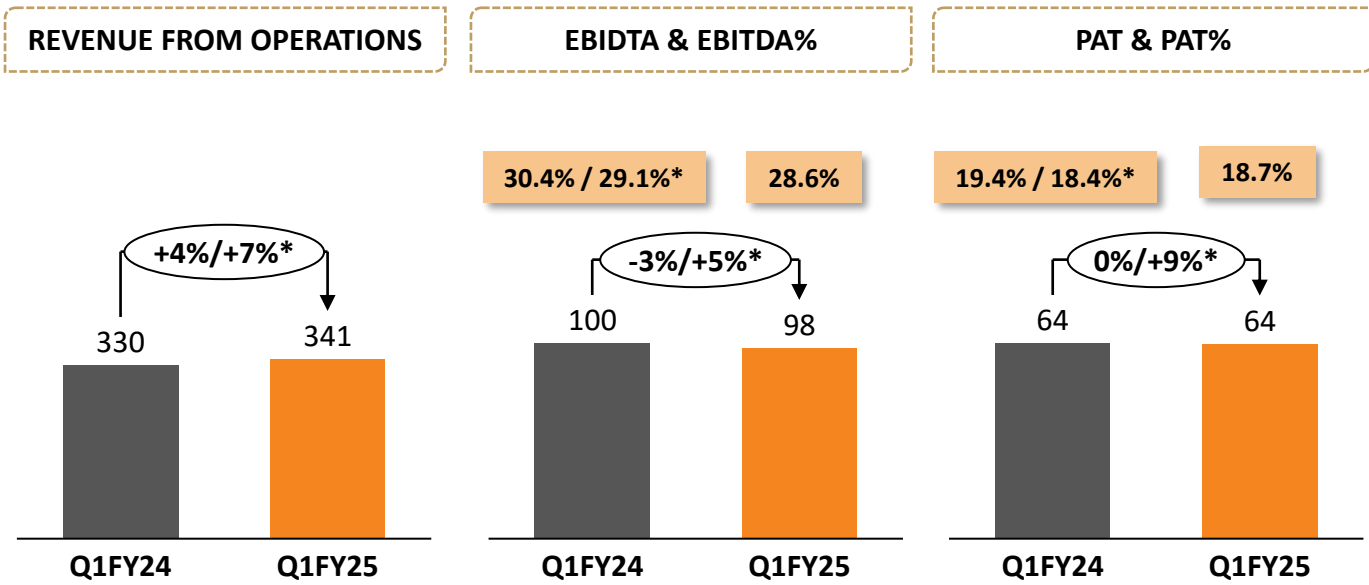
India – 141120

Investor Release: 7th August 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 quarter ended 30th June 2024.

Financial Highlights (in Rs. Crores)

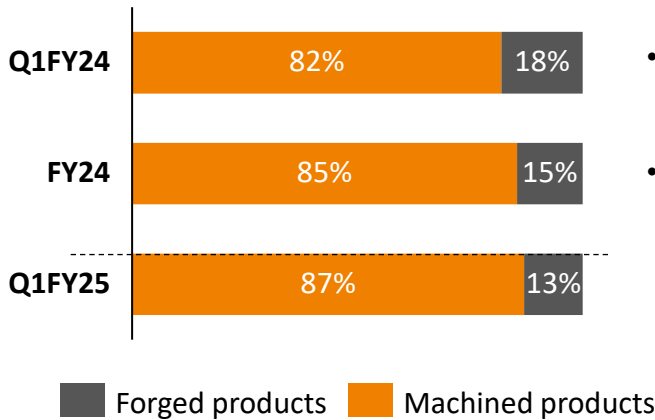


Q1FY25 Volume and Realisation

Particulars	Q1FY24	Q1FY25	YoY	FY24
Finished Goods Volume (MT)	13,555	13,933	+2.8%	55,379
Realisation/Kg (Rs.)	243	245	+0.7% / +3.9%*	245

* During Q1FY24, financials were favorably impacted by higher realisation on account of air freight costs received on one order (Revenues by ~Rs. 10 Crs, EBITDA by ~Rs. 7 Crs and PAT by ~Rs. 5 Crs). Excluding this positive impact, EBITDA and PAT margin for Q1FY24 would have been ~29.1% and ~18.4% respectively and Q1FY25 revenue, EBITDA and PAT would have grown by ~7%, ~5% and ~9% yoy respectively.

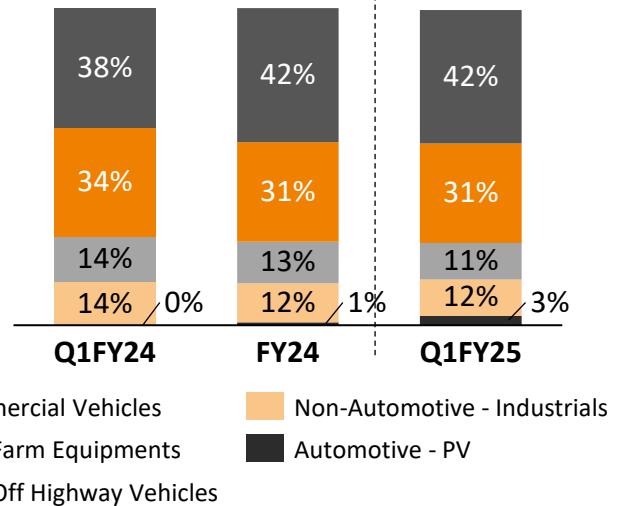
PRODUCT MIX



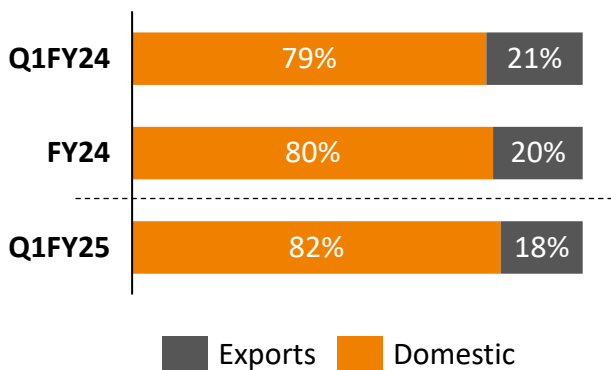
- Contribution of machined products increased from 82% in Q1FY24 to 87% in Q1FY25
- The demand for precision-led machined components remained strong throughout the quarter

SEGMENT MIX*

- Passenger Vehicles stood at 3% in Q1FY25 as compared to 1% in the entire FY24 on the back of new order wins
- Sluggish demand was observed in April and May 2024 due to slowdown in infrastructure-related activities due to the general elections



GEOGRAPHY MIX*



- Exports share stood at 18% as compared to 20% in FY24

Note: Percentages in charts may not add up to 100% due to rounding.

*During Q1FY24, revenue was favorably impacted by higher realisation on account of air freight costs received on one order by ~Rs. 10 Crs. Excluding this positive impact, share of exports would have been ~19% for both Q1FY24 and FY24. Similarly, share of industrials segment would have been ~11% and ~12% in Q1FY24 and FY24 respectively.

Commenting on the Q1FY25 performance, Mr. Ashish Garg, Managing Director, Happy Forgings Limited, said:

“I am pleased to present our performance for Q1FY25, marked by Revenue of Rs. 341 Crs, EBITDA of Rs. 98 Crs and PAT of Rs. 64 Crs.

We achieved a YoY growth of ~3% in finished goods volume and ~4% increase in realisations (despite a reduction in raw material costs) leading to a ~7% growth in revenues. Our realisation and profitability levels in Q1FY25 remained broadly consistent with those reported for FY24. Realisation stood at Rs. 245/Kg., Gross margin at 56.5% and EBITDA margin at 28.6% in Q1FY25. Machining mix remains robust at 87%, supporting our margins. We successfully entered the Passenger Vehicles segment in FY24, and this segment contributed ~3.5% to our topline this quarter.

During the quarter, the underlying industry segments faced challenges, including a temporary slowdown in infrastructure-related activities due to the general elections and a slowdown in European farm equipment and power generation sectors. However, our diversification strategy across different segments enabled us to perform well overall.

Our planned capacity expansions are on track. We added 1,500MT of machining capacity during the quarter and will add an additional 4,500MT in Q2FY25, which will lead to a total increase of 6,000MT in machining capacity in H1FY25. Furthermore, 5,000MT of machining capacity is planned to be added in Q3FY25. We have the necessary product approvals, and we expect a simultaneous ramp-up in production enabling us to reap the benefits of increased capacity. This provides us with visibility for stronger performance throughout the remainder of the year.”

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 installed 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, passenger 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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