



20th October, 2023

To,

| | |
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| 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 Friday, 20th October, 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 and Half Year ended 30th September, 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

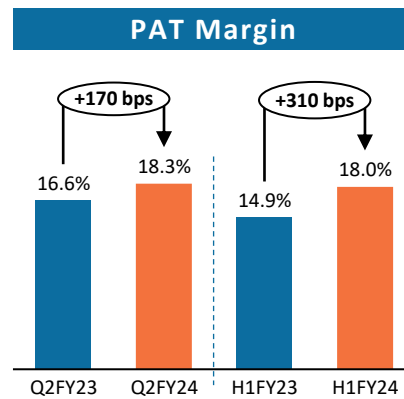
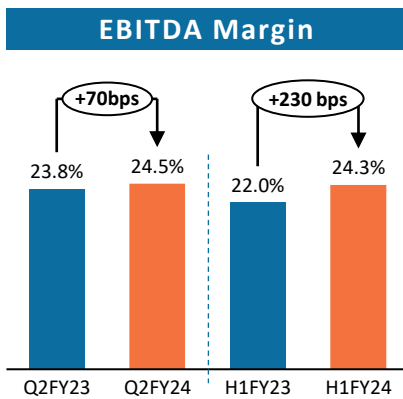
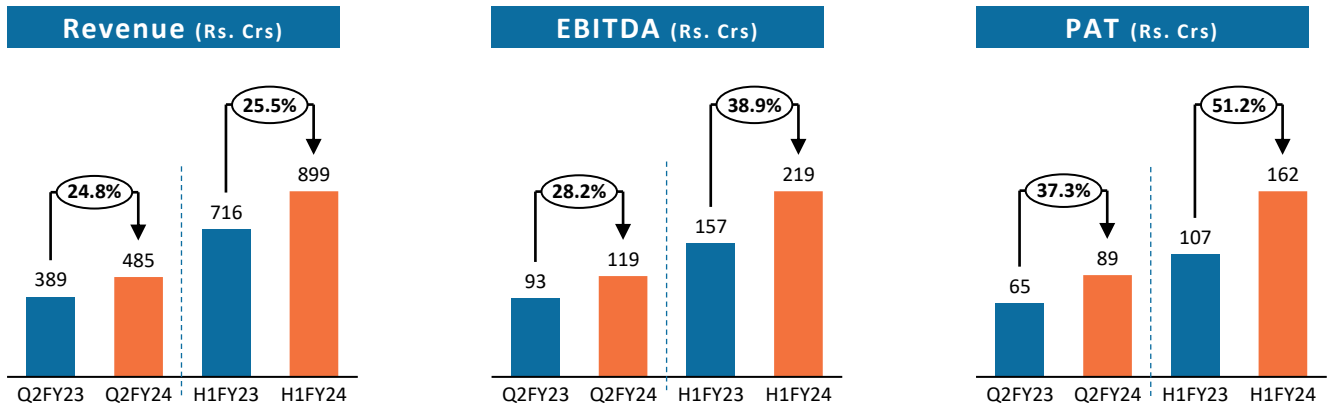
Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED

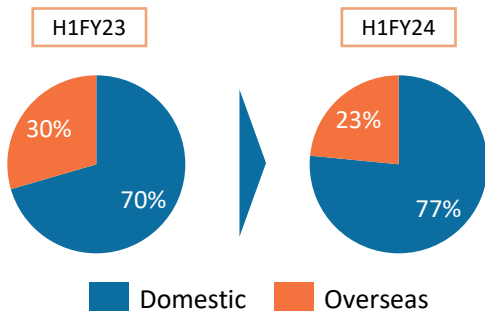
Strong Q2 & H1FY24 Financial & Operational Performance

Vallabh Vidyanagar, Gujarat, 20th October 2023 – Elecon Engineering Company Limited, one of the largest Industrial Gear solution providers in Asia along with Material Handling Equipment, announced its Unaudited Financial Results for the quarter & half year ended 30th September 2023

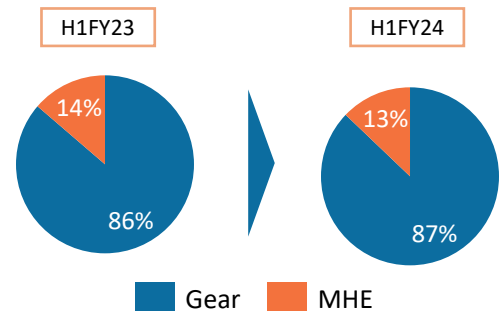
Q2 & H1FY24 CONSOLIDATED FINANCIAL HIGHLIGHTS



Geography Wise

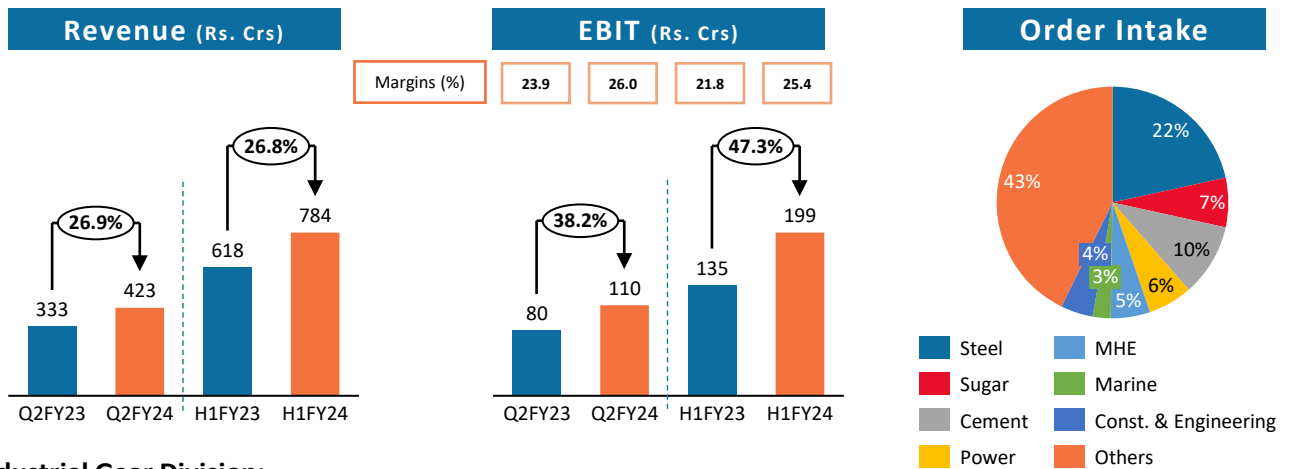


Segment Wise



Strong Growth Momentum Continues

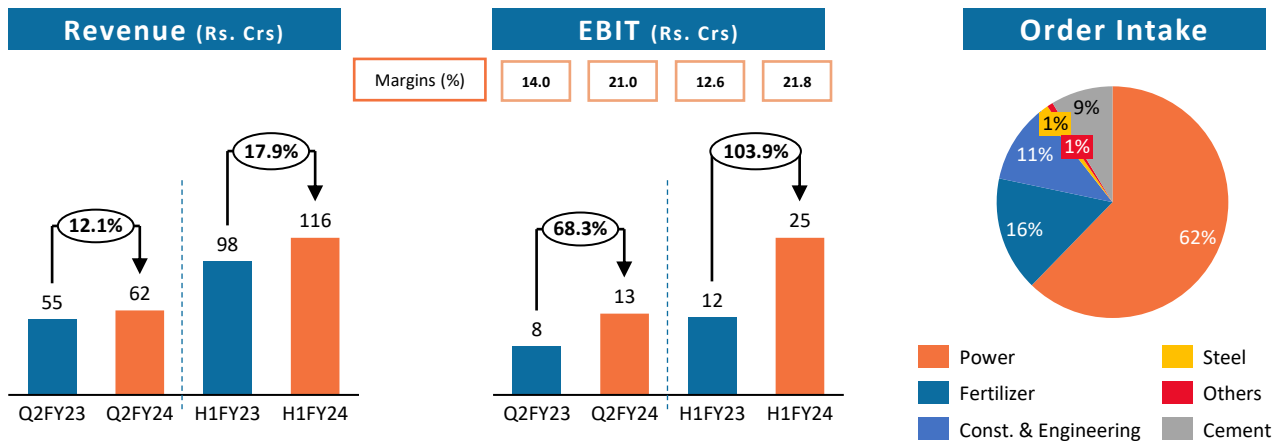
Key Consolidated Financial & Operational Highlights - Gear Division



Industrial Gear Division:

- Revenue for Q2FY24 stood at **Rs. 423 Crs** as compared to Rs. 333 Crs in Q2FY23, **up by 27% on a Y-o-Y basis**. Revenue for six months ended September 2023 stood at **Rs 784 Crs, up by 27% on a Y-o-Y basis**.
- EBIT for Q2FY24 stood at **Rs 110 Crs** as compared to Rs 80 Crs in the corresponding quarter last year, **a growth of 38%**. EBIT for H1FY24 stood at **Rs 199 Crs** as against Rs 135 Crs in H1FY23, Reflecting a growth of **47% Y-o-Y growth**. The EBIT Margin for six months ended September 2023 stood at **25%**, registering a growth of **~350 bps**
- Standalone Revenue Mix for H1FY24:**
 - 45% - Catalogue Products
 - 55% - Engineered Products

Key Consolidated Financial & Operational Highlights - MHE Division



MHE Division

- Revenue for the quarter stood at **Rs 62 Crs** as compared to Rs 55 Crs in the corresponding quarter last year, **growing 12% Y-o-Y**. Revenue for Half year ended September 2023 stood at **Rs 116 Crore**, registering a **growth of 18% on a Y-o-Y basis**
- EBIT for Q2 FY24 stood at **Rs 13 Crs** registering **a growth of 68% YoY**. The EBIT margins stood at **21%** as against 14% in Q2 FY23, **an improvement of ~700 bps Y-o-Y**. The EBIT Margin for six months ended September 2023 stood at **22%**, **an improvement of ~920 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 going forward

| Rs Crore | Order Intake | Open Order |
|-------------------------|--------------|---------------------------------|
| Segment wise Order Book | Q2 FY24 | 30 th September 2023 |
| Gear Division | 375 | 615 |
| MHE Division | 41 | 123 |
| Total | 416 | 738 |

Order Book Details:

- **Gear Division:** The order intake during the quarter stood at **Rs 375 Crs**, as compared to **Rs 383 Crs** in the same quarter last year. Order in Hand is **Rs 615 Crs** as on 30th September 2023
- **MHE Division:** The order intake during the quarter stood at **Rs 41 Crs**. Order in Hand is **Rs 123 Crs** as on 30th September 2023
- **Total Order Book:** The order Inflow during Q2 FY24 stood at **Rs 416 Crs** and orders in hand as on 30th September 2023 stands at **Rs 738 Crs**

H1 FY24 Highlights

- **Development on Overseas OEM Business:**
 - **Signed-off Six OEM Business in European market, having annual estimated business volume of ~Euro 5.5 Million.**
 - Prototype is under development and to be supplied to the OEMs by Q3FY24, commercial production expected to start from FY25
- **Arbitration awards:**
 - Successfully realized **Rs. 30.9 Crs** from the arbitration award as of September 2023, out of the total award amount of **Rs. 63.0 Crs**, with an additional **Rs. 1.0 Cr** expected to be realized in October 2023
 - Fresh arbitration proceedings initiated having the value of **Rs. 31.0 Crs** during Q1FY24, optimistic of favorable outcomes
- Capex incurred **Rs 24.0 Crs** upto H1FY24 out of the **Rs 70.0 Crs** planned for FY24
- **Improvement in Credit Ratings:** LT - [ICRA] AA- (Stable); ST: [ICRA] A1+ in June-23 (Previous Credit Ratings: LT- [ICRA] A+ (Stable); ST: [ICRA] A1)
- Company had given a revenue guidance of **~Rs. 2,000 Crs for FY24**
 - Rs. 1,700 Crs for Gear Division
 - Rs. 300 Crs for MHE Division



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

India is positioned to solidify its status as a global manufacturing powerhouse, owing to unwavering government support and substantial investment inflows. Our optimism regarding the sector's expansion remains unwavering, and at Elecon, we proudly uphold our position as the market leader. We continue to provide industrial gear solutions rooted in a rich legacy of over seven decades of invaluable experience.

We are dedicated to advancing research and product development, reflecting our core mission to offer high-quality, technologically advanced, and globally competitive product range. Our strategic approach involves exploring new geographic markets, maximizing opportunities within our existing markets, and expanding our presence across newly added industries by delivering top-notch services with the lowest possible lead times.

*In the quarter ending on September 30, 2023, our consolidated revenue stood at Rs. 485 Crores, **a growth of 25%** on Y-o-Y basis. This growth is a majorly attributable to increase in order inflows across industries, increasing wallet share among existing customers & onboarding of new customers.*

Elecon specializes as one of the Asia's largest Industrial Gear Box Solution company offering the widest range of products diversified across industries such as Cement, Power, Steel, Sugar etc. The revenue from our Industrial Gear division for Q2 FY24 stood at Rs. 423 Crores, with an EBIT Margin of 26%. We've successfully revived our MHE division through efficient operations & discontinuing the EPC business. Within the MHE division, our focus remains on product supply and aftermarket services, yielding a revenue of Rs. 62 Crores for Q2 FY24, a 12% Y-o-Y growth. The EBIT Margin for the MHE division for the quarter stood at 21%, showcasing an improvement of ~700 basis points.

With a robust order book spanning various segments, a steadfast focus on penetrating overseas markets, and our commitment to maintaining a leadership position in the domestic market, we remain optimistic of outperforming the Industry.



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



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CIN: L29100GJ1960PLC001082

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

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