



ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

www.tuv.com
ID 510517319



25th January, 2024

To,

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 Thursday, 25th January, 2024
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 Nine Months ended 31st December, 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

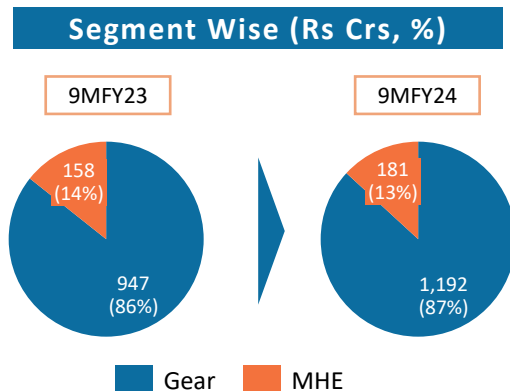
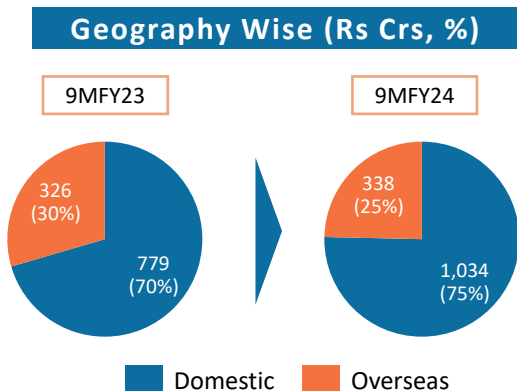
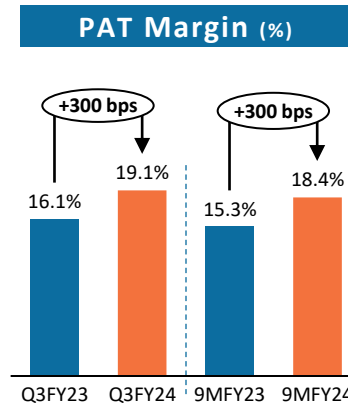
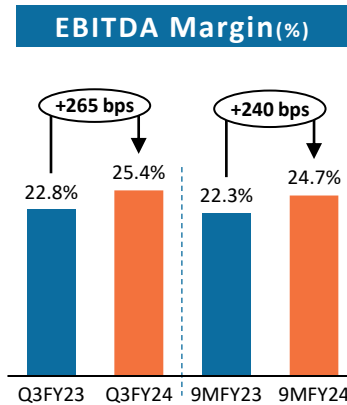
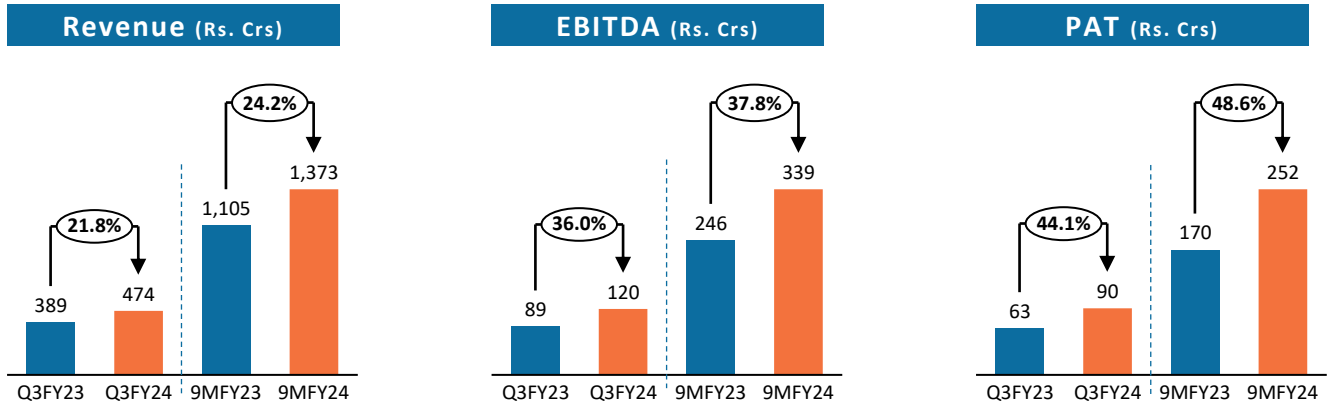
Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED

Strong Q3 & 9MFY24 Financial & Operational Performance

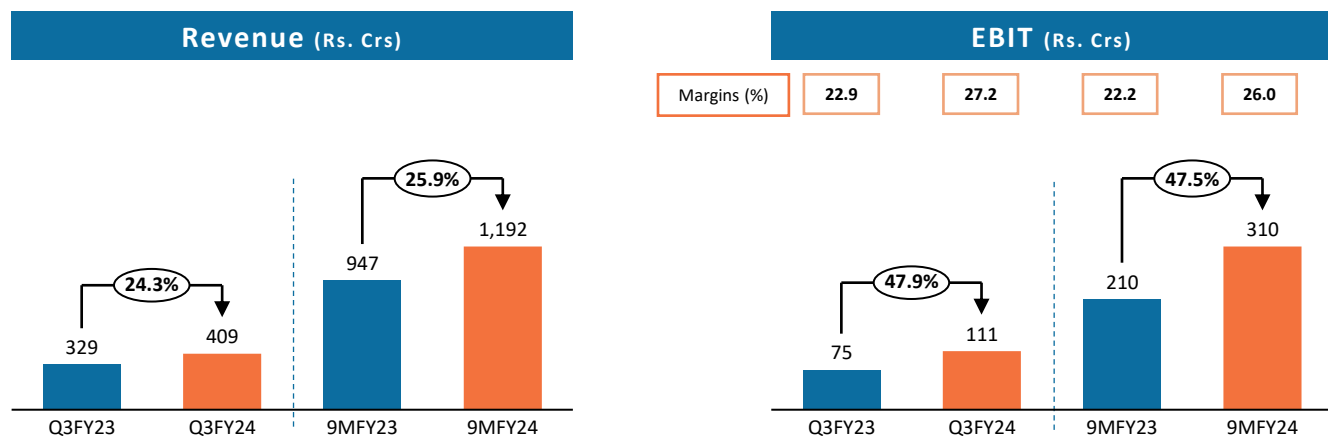
Vallabh Vidyanagar, Gujarat, 25th January 2024 – Elecon Engineering Company Limited, one of the largest Industrial Gear solution providers in Asia along with Material Handling Equipment, announced its Unaudited Financial Results for the quarter & nine months ended 31st December 2023

Q3 & 9MFY24 CONSOLIDATED FINANCIAL HIGHLIGHTS



Strong Growth Momentum Continues

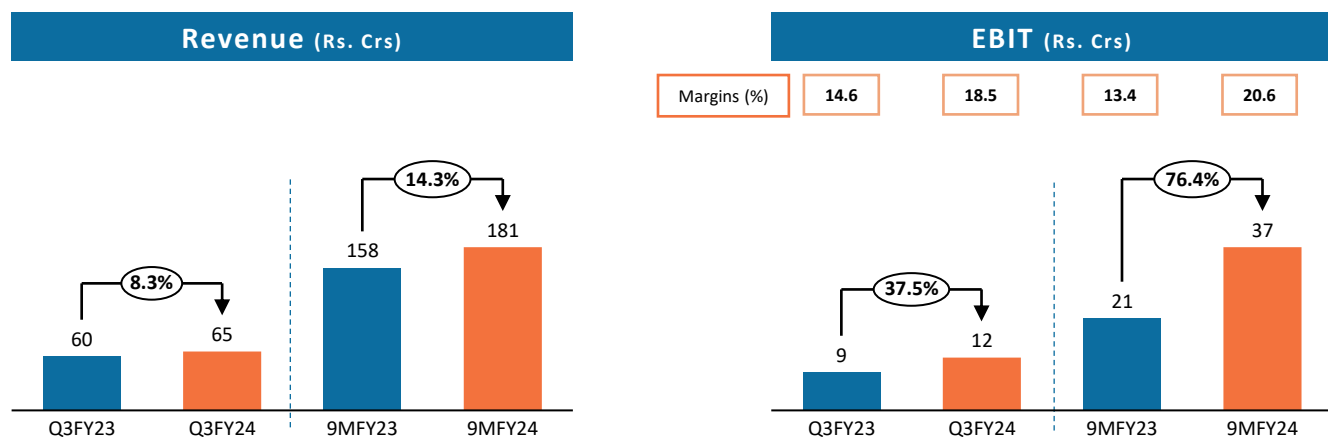
Key Consolidated Financial & Operational Highlights - Gear Division



Industrial Gear Division:

- Revenue for Q3FY24 stood at **Rs. 409 Crs** as compared to Rs. 329 Crs in Q3FY23, **up by 24% on a Y-o-Y basis**. Revenue for nine months ended December 2023 stood at **Rs 1,192 Crs, up by 26% on a Y-o-Y basis**
- EBIT for Q3FY24 stood at **Rs 111 Crs** as compared to Rs 75 Crs in the corresponding quarter last year, **a growth of 48%**. EBIT for 9MFY24 stood at **Rs 310 Crs** as against Rs 210 Crs in 9MFY23, growth of **48% Y-o-Y growth**. The EBIT Margin for nine months ended December 2023 stood at **26%**

Key Consolidated Financial & Operational Highlights - MHE Division



MHE Division

- Revenue for the quarter stood at **Rs 65 Crs** as compared to Rs 60 Crs in the corresponding quarter last year, **growing 8% Y-o-Y**. Revenue for nine months ended December 2023 stood at **Rs 181 Crs, registering a growth of 14% on a Y-o-Y basis**
- EBIT for Q3 FY24 stood at **Rs 12 Crs** registering **a growth of 38% YoY**. The EBIT margins stood at **19%** as against 15% in Q3 FY23, **an improvement of ~390 bps Y-o-Y**. The EBIT Margin for nine months ended December 2023 stood at **21%, an improvement of ~730 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. The company is consistently **securing new orders for product supply and capitalizing on growing opportunities in the aftermarket business**

9M FY24 Highlights

- **Development on Overseas OEM Business:**
 - Signed-off **Ten OEM Business** in overseas market. Commercial production expected to start from FY25
- **Arbitration awards:**
 - As of December 2023, we have successfully realized **Rs. 37.2 Crs** from the arbitration award, out of the total award amount of **Rs. 63.0 Crs**. Negotiations for the remaining amount are currently in progress
 - Fresh arbitration proceedings initiated having the value of **Rs. 31.0 Crs** during Q1FY24, optimistic of favorable outcomes
- Capex incurred **Rs 26.0 Crs** upto 9MFY24 out of the **Rs 70.0 Crs** planned for FY24
- **MHE Division Order Wins:**
 - **Steel Sector:** Received orders for supply of equipment of **Rs 134.2 Crs**. from a single customer
 - **Cement Sector:** Received an order for supply of equipment from a single customer amounting to **Rs 39.0 Crs**
- **Improvement in Credit Ratings:** LT - [ICRA] AA- (Stable); ST: [ICRA] A1+ in June-23 (Previous Credit Ratings: LT- [ICRA] A+ (Stable); ST: [ICRA] A1)

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

Recent forecasts signal a promising trajectory for India's GDP, poised to achieve a commendable growth rate of 6.3% in 2024. Bolstered by the government's dedicated attention to infrastructure development, an amplified emphasis on domestic production, and technological advancements, Elecon Engineering stands strategically positioned to capitalize on significant growth opportunities. Our unwavering commitment to delivering a comprehensive range of solutions spanning sectors such as Cement, Power, Sugar, Steel, etc. and more solidifies our enduring market leadership domestically, coupled with expansion of our global presence in the gear segment. Our extensive network uniquely situates us to capture a substantial international market share.

Continuous investments in R&D have yielded substantial process improvements, leading to industry-leading short lead times while maintaining an unwavering focus on delivering uncompromised quality.

Our key focus pillars include expanding our overseas market share, progressively growing our MHE division in both products and after-sale services, maximizing opportunities within our existing markets, and extending our presence into newly added industries.

*In the quarter ending December 31, 2023, our consolidated revenue reached **Rs. 474 Crs**, marking a **22%** Year-on-Year growth. For Q3FY24 Consolidated EBITDA stood at **Rs. 120 Crs**, a remarkable growth of **36%** as compared to **Rs. 89 Crs** in Q3FY23, largely propelled by the company's robust process improvement initiatives.*

*The Q3 FY24 revenue from our Industrial Gear division amounted to **Rs. 409 Crs**, an EBIT Margin of **27%**. Within the MHE division, our strategic focus on product supply and aftermarket services resulted in a Q3 FY24 revenue of **Rs. 65 Crs**, reflecting a **8%** Year-on-Year growth. The EBIT Margin for the MHE division in the quarter stood at **19%**, showcasing a significant improvement of approximately **390 basis points**.*

Backed by 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, Elecon Engineering emerges not only as a pioneer but also as the largest gearbox solution provider in Asia.



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



Company : ELCON ENGINEERING COMPANY LIMITED

CIN: L29100GJ1960PLC001082

Mr. Narasimhan Raghunathan – CFO – narasimhanr@elecon.com

Mr. Ashish R. Jain – Manager, Finance & Investor Relations – arjain@elecon.com

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

SGA Strategic Growth Advisors

Investor Relations : Strategic Growth Advisors

CIN: U74140MH2010PTC204285

www.sgapl.net

Mr. Sagar Shroff – sagar.shroff@sgapl.net / +91 98205 19303

Ms. Prachi Chhugani – prachi.c@sgapl.net / +91 89492 92029