



HAPPY FORGINGS LIMITED

20th September 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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Subject: Analyst Presentation

Pursuant to the Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, further to our letter dated 16th September 2024 intimating about the Investor Meeting /Conference scheduled on 20th September 2024 at 4:00PM, enclosed is the copy of the presentation that will be discussed during the meeting.

This information is submitted to you pursuant to Regulation 30 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Kindly take the same on your record.

Thanking You,

For Happy Forgings Limited

BINDU Digitally signed
by BINDU GARG
Date: 2024.09.20
11:50:21 +05'30'
GARG

Bindu Garg
**Company Secretary &
Compliance Officer**
M.N: F6997
BXXIX-2254/1, Kanganwal Road
P.O. Jugiana,
Ludhiana, Punjab, 141120

Regd Office :



+91 161 251 0421
+91 161 251 0422



info@happyforgingsltd.com
www.happyforgingsltd.com



BXXIX-2254/1, Kanganwal Road,
P. O. Jugiana, Ludhiana, Punjab,
CIN L28910PB1979PLC004008

India – 141120



HAPPY FORGINGS LIMITED

Happy Forgings Limited

**Ambit UPNEXT
Conference**

September 20, 2024

Our Vision



To be amongst the top 10 forging and machining companies globally

Our Values



Stay at the forefront of technology



Deliver more than promised



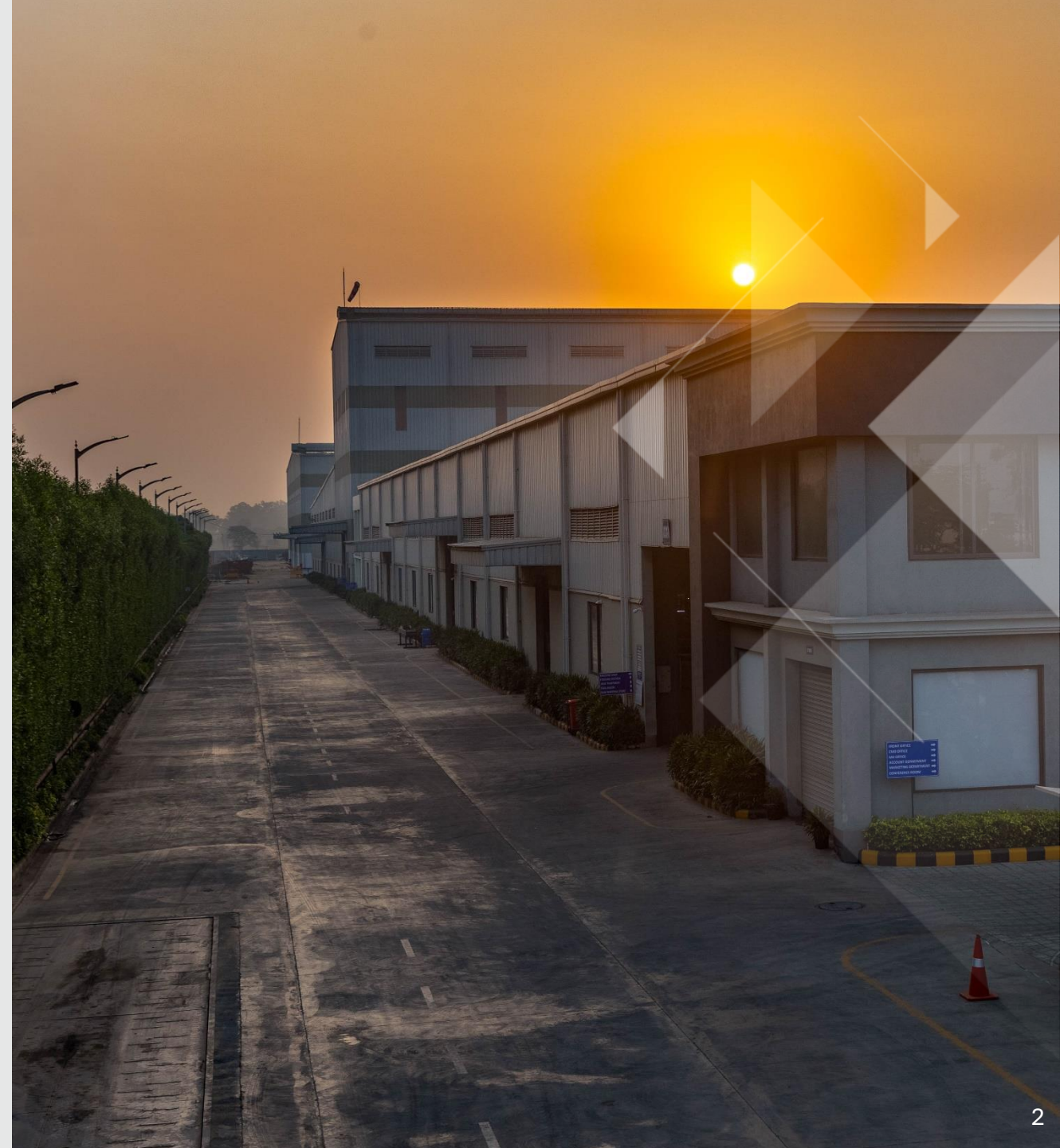
Respect and encourage people



Inspire innovation and creativity



Care for the environment and society



Key Highlights



Scale

4th Largest

engineering led manufacturer of complex and safety critical heavy forged and high precision machined components in India

2nd Largest

manufacturer of CV and high horse-power industrial crankshafts in India



Infrastructure

1,20,000T
Forging Capacity¹

52,500T Machining
Capacity¹

2nd Company
in India to have **14,000T**
forging press

Three 8,000T mechanical
forging presses



Products

**70% of Forged
production**
coming from heavy lines

85% revenues
From machined products in
FY24

Manufacturer of **High
precision
components** with
tolerance in the range of
5-10 microns



Customers

Long-standing
relationships

Diversified customer
base of **60+ customers**

Marquee clients; both
domestic and global

Successful track-record of
**wallet share
expansion**



Financials

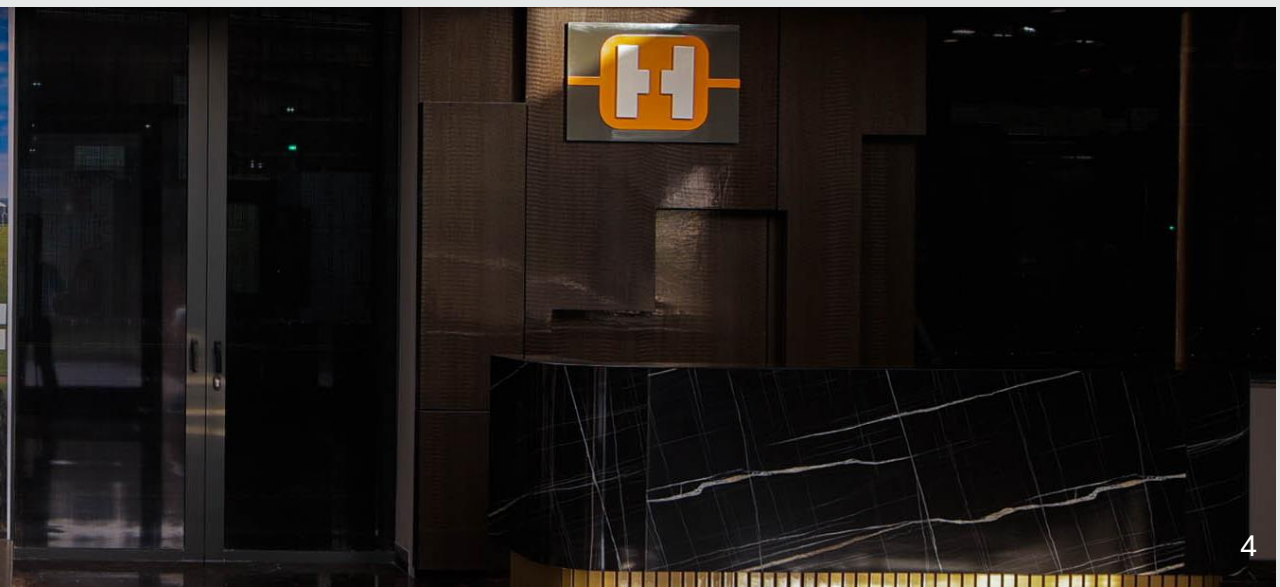
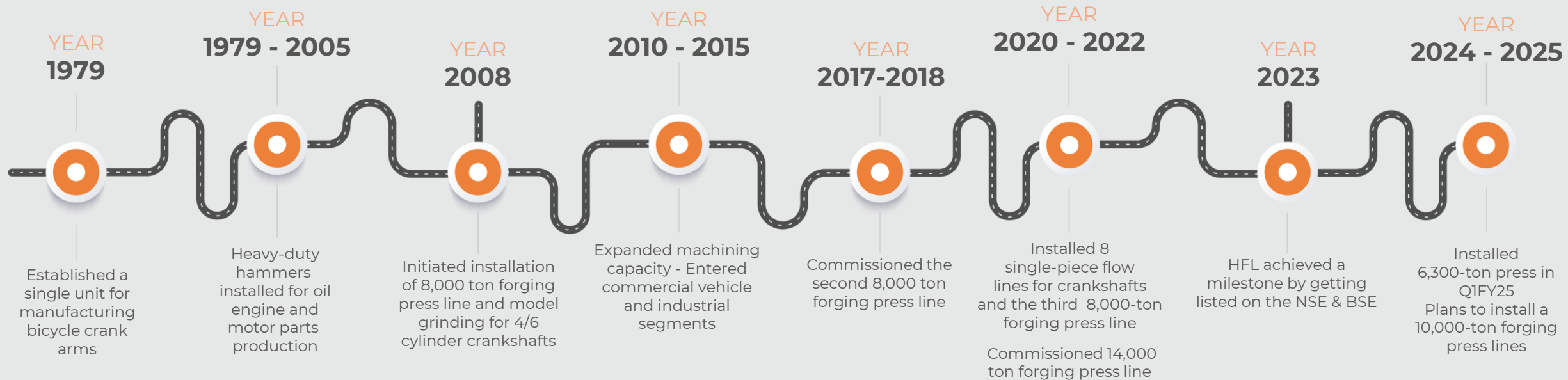
**Best-in class
margins & returns**

EBITDA % FY24 – 28.5%
5yr Avg. EBITDA % – 27.0%
PAT% FY24 – 17.9%
ROCE FY24 (adj.)* – 26.9%

AA/Stable Credit Rating

Net Debt/EBITDA
FY24 – 0.1x

Our Journey



Experienced Promoters & Senior Management



Paritosh Kumar Garg

Chairman & Managing Director

- ~45 years of experience in industrial sector
- Bachelor's Degree in Arts, S.C. Dhawan Government College, Ludhiana, Panjab University



Ashish Garg

Managing Director

- 17+ years of experience in industrial sector
- Bachelor's Degree in Science (accounting and finance) and Master's Degree in Science (manufacturing systems engineering), University of Warwick, UK



Megha Garg

Whole-Time Director

- 8+ years of experience in industrial sector
- Bachelor's Degree in Science (economics) from the University of Nottingham, UK



Narinder Singh Juneja

CEO & Whole - Time Director

- 50+ years of experience in industrial sector
- Post Diploma in Mechanical Engineering - Y.M.C.A. Institute of Engineering



Pankaj Kumar Goyal

Chief Financial Officer

- ~23 years of experience in finance sector
- Bachelor's degree in Commerce from Government College, Malerkotla, Punjabi University
- Fellow member of ICAI



Patwinder Singh

Chief Operating Officer

- ~22 years of overall experience
- Bachelor's in Science from Guru Nanak Dev University
- Degree in Business Administration from CSM Institute of Graduate Studies



Mangesh Shantaram Purandare

Chief Marketing Officer

- ~27 years of experience in marketing sector
- Bachelors in Industrial Engineering
- MBA - University of Pune

Seasoned Board



Satish Sekhri

Independent Director

- 48+ years of experience in the field of sales and marketing and the industrial sector
- On the Board of JK Files and Engineering Limited and Rico Auto Industries Limited



Atul Behari Lall

Independent Director

- 29+ years of experience in the electronics manufacturing services industry
- Managing Director on the Board of Dixon Technologies (India) Limited



Vikas Giya

Independent Director

- 19+ years of experience in finance sector
- Member of the Institute of Chartered Accountants of India



Ravindra Pisharody

Independent Director

- 38+ years of experience in marketing, space planning and space strategy
- On the board of Muthoot Finance, Bonfiglioli Transmissions, Savita Oil Technologies and Kinara Capital
- Served on the board of Tata Motors and Castrol India



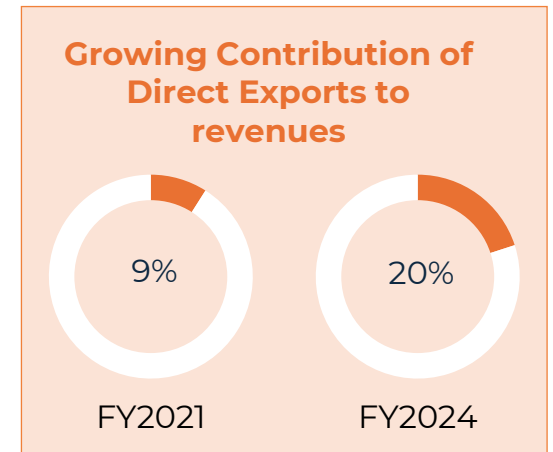
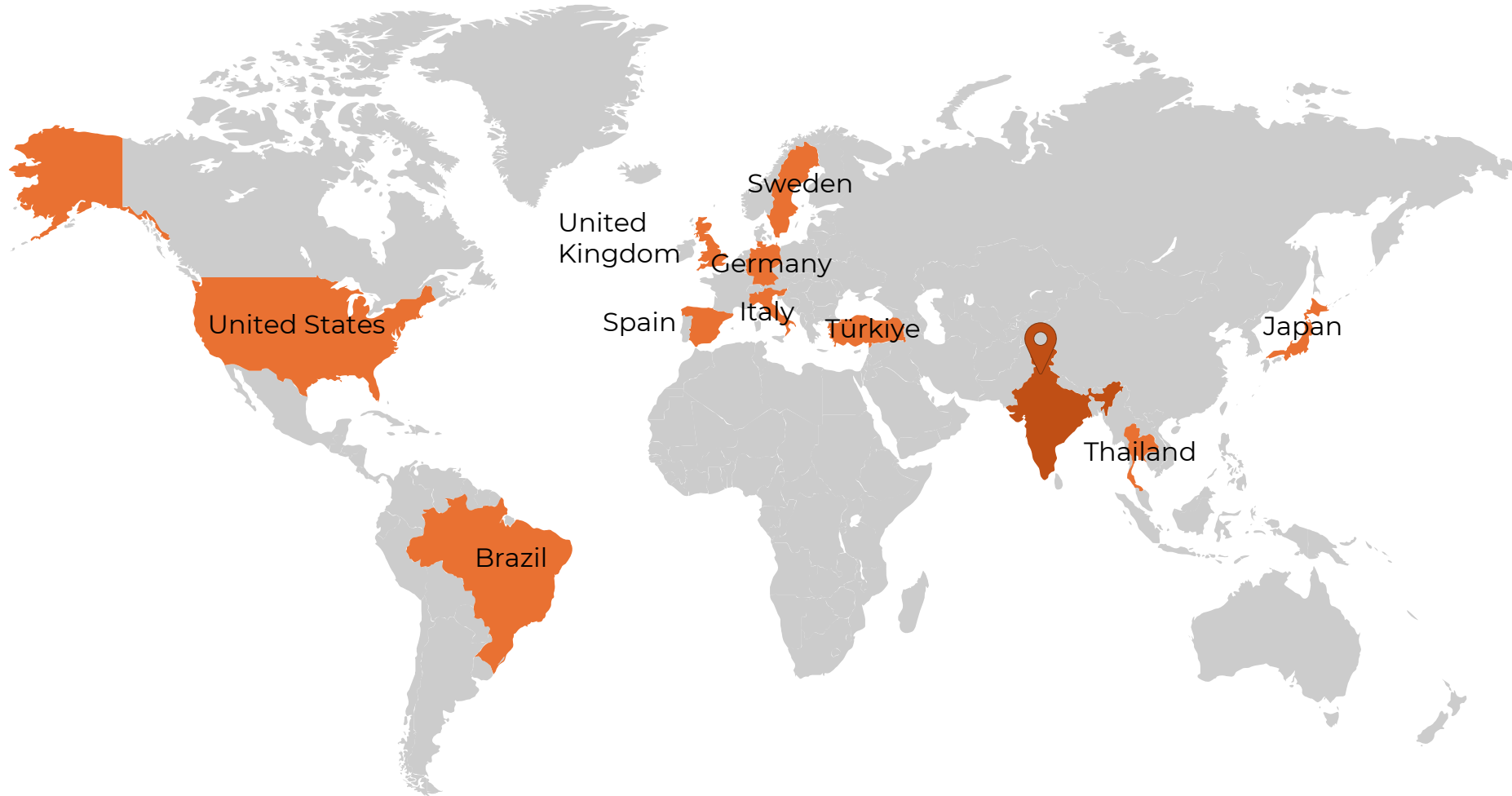
Rajeswari Karthigeyan

Independent Director

- 30+ years of experience in the credit ratings sector (Ex CRISIL)
- On the Board of Craftsman Automation and Belstar Microfinance

Global Footprints

Our business footprint extends across geographies.
HFL serves customers across **ten countries**:



Product Applications

Commercial Vehicles



Passenger Vehicles



Farm Equipment



Railways



Off - Highway



Power



Oil and Gas



Wind



Commercial Vehicles



Differential Case



Front Axle Component



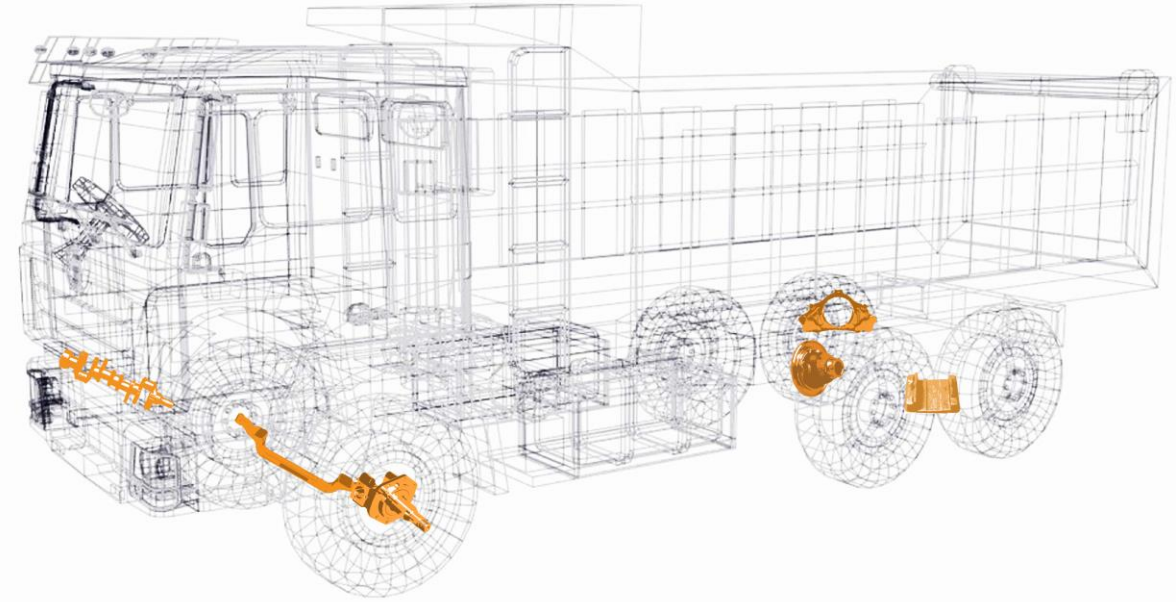
Rear Axle Component



Crankshaft



Suspension Products



Passenger Vehicles



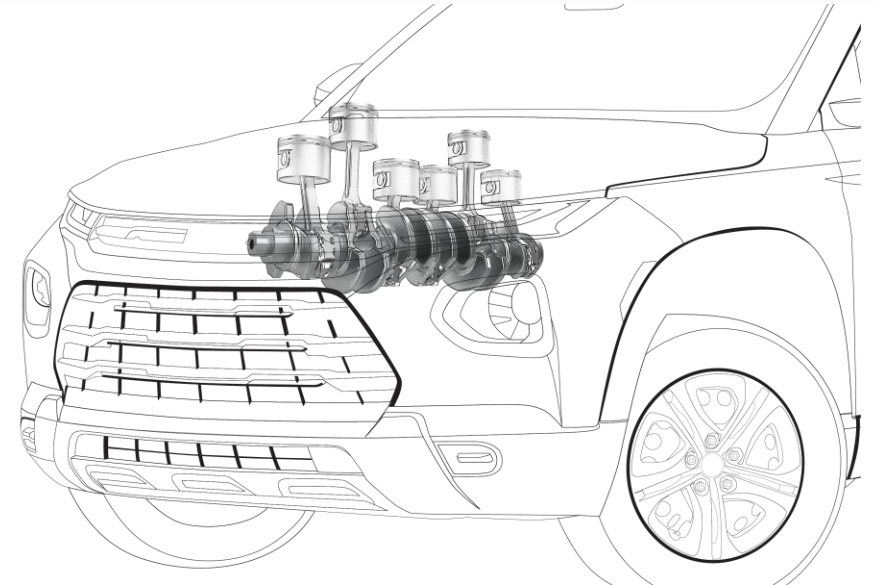
Crankshaft



Brake Flange



Knuckle



Farm Equipment



Crankshaft



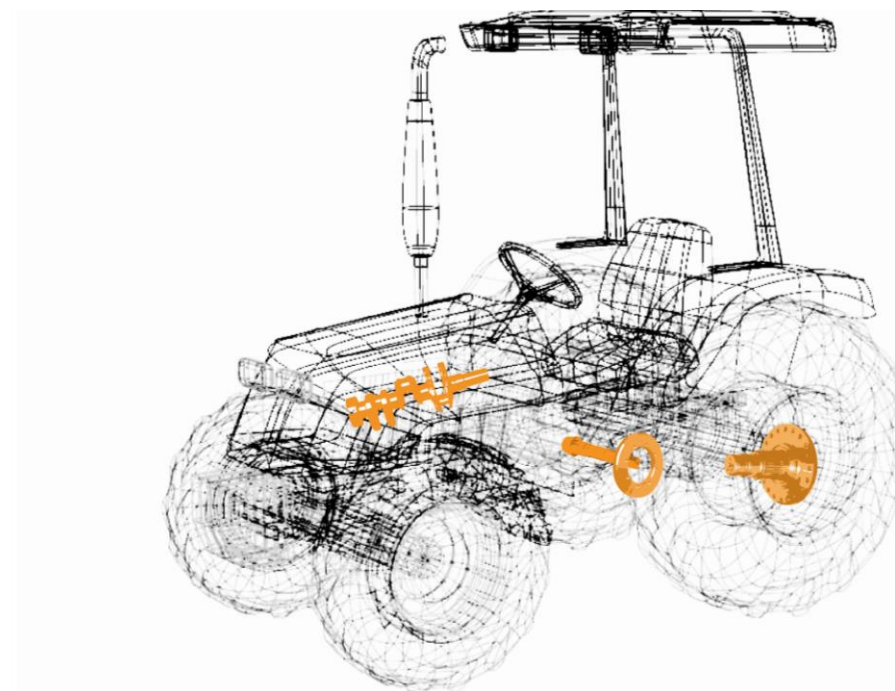
Crown Wheel



Axle Shaft



Pinion



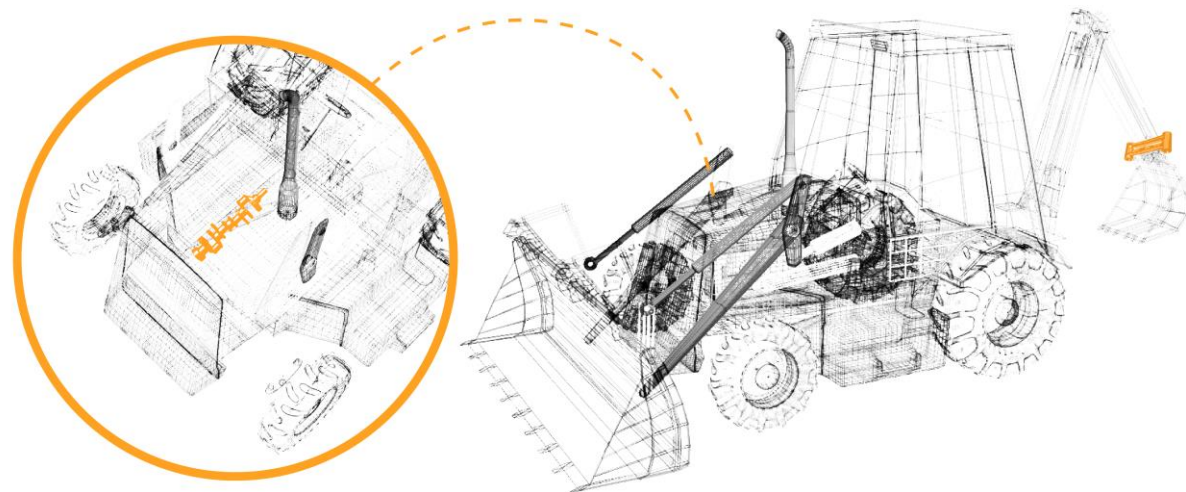
Off Highway



Crankshaft



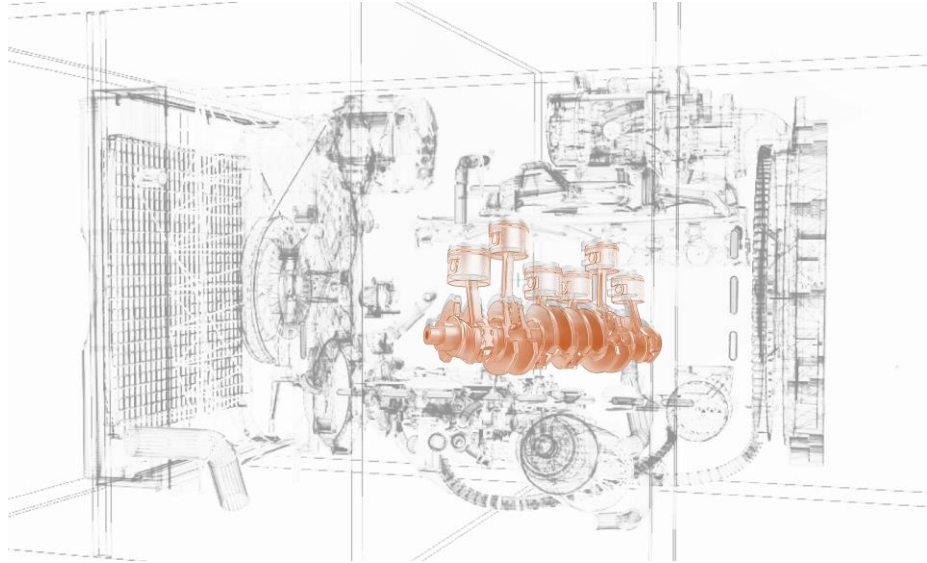
Bucket Link



Power Generation



Crankshaft



Windmill Application



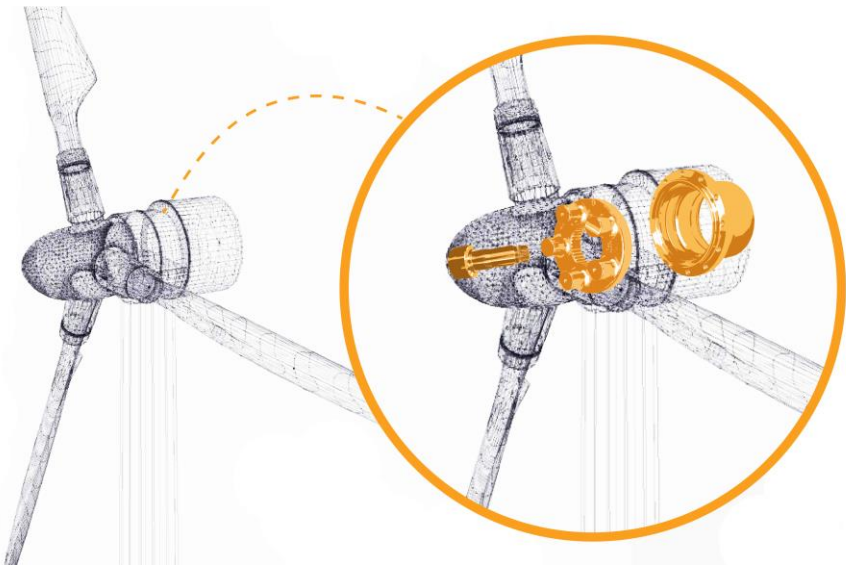
Housing



Output Shaft



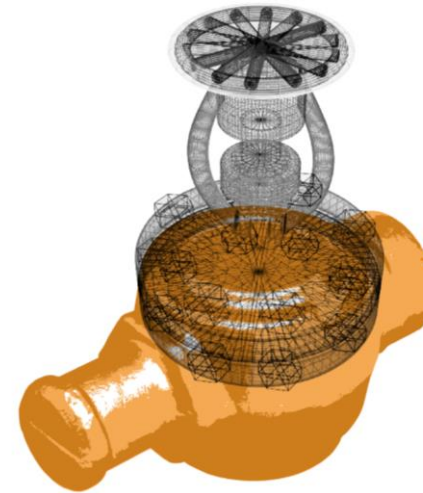
Planet Carrier



Oil and Gas Industry



Valve Bodies



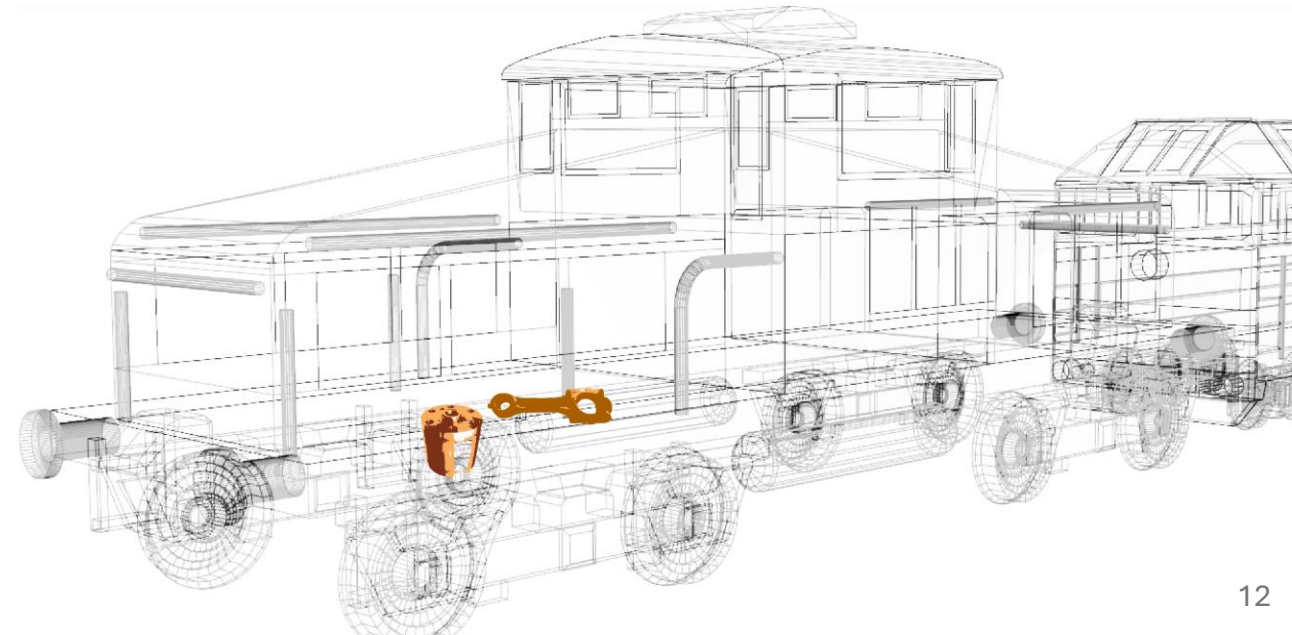
Railway



Piston Pin



Connecting Rod



Manufacturing Facilities

Total Forging Capacity*

1,20,000 MT

Total Machining Capacity*

52,500 MT



Kanganwal I (Ludhiana)

Started in 1995

184,765 Sq. ft.



Kanganwal II (Ludhiana)

Started in 2006

439,128 sq. ft.



Dugri (Ludhiana)

Started in 2021

1,771,208 sq. ft.



Strategically located facilities near inland container depot facility in Ludhiana and Dedicated Freight Corridor (DFCs)



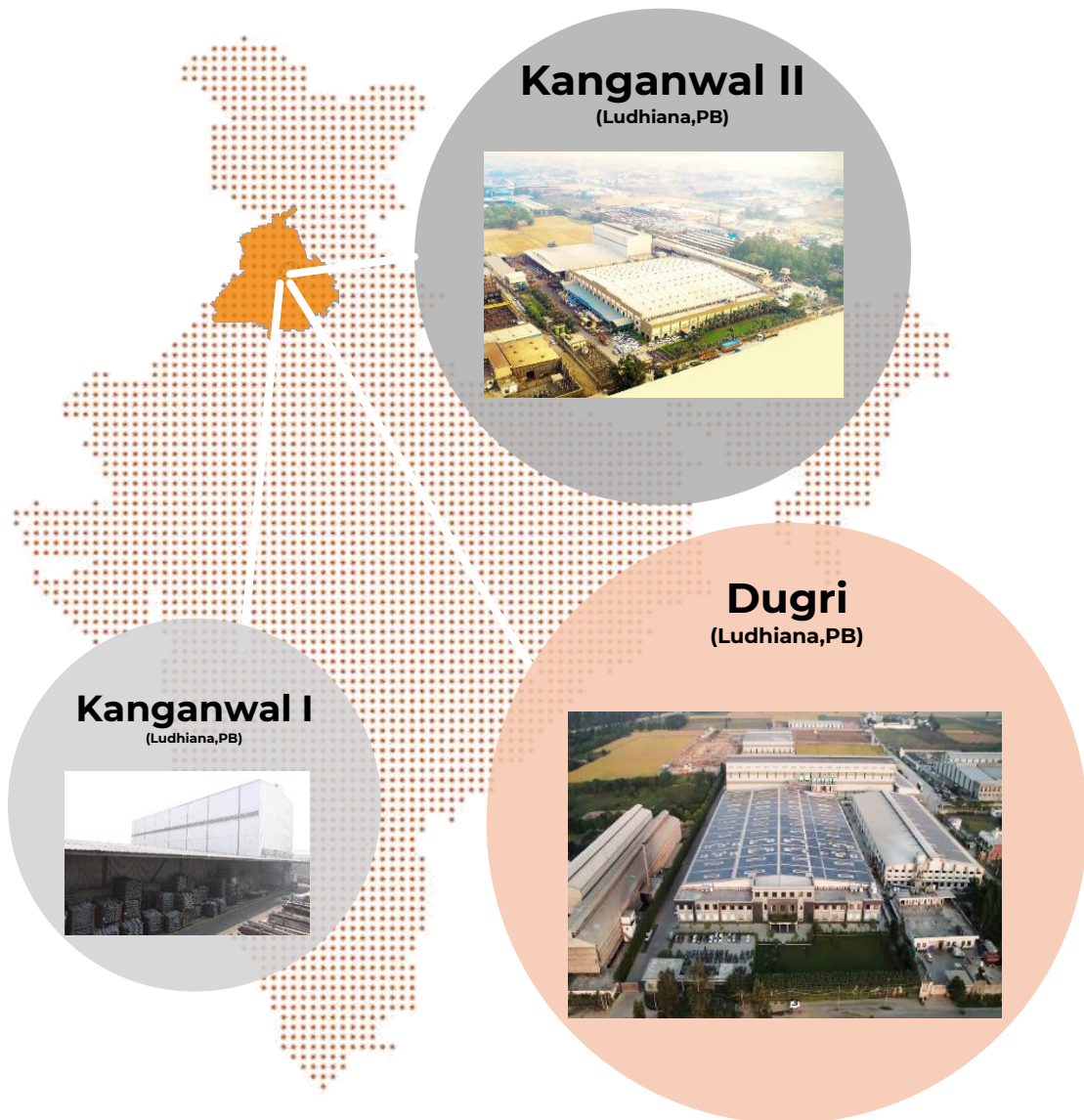
Fungible product lines along with **vertically integrated facilities** helps drive diverse product offering, reduced operating costs and improve productivity



Significant investments in state-of-the-art modern infrastructure
 Second company in India to have **14,000 tonne press**
 Capabilities to forge **heavier and complex parts** for various industries

* Installed Capacity as on **June 30, 2024**

Capacity Addition



Kanganwal II
(Ludhiana, PB)



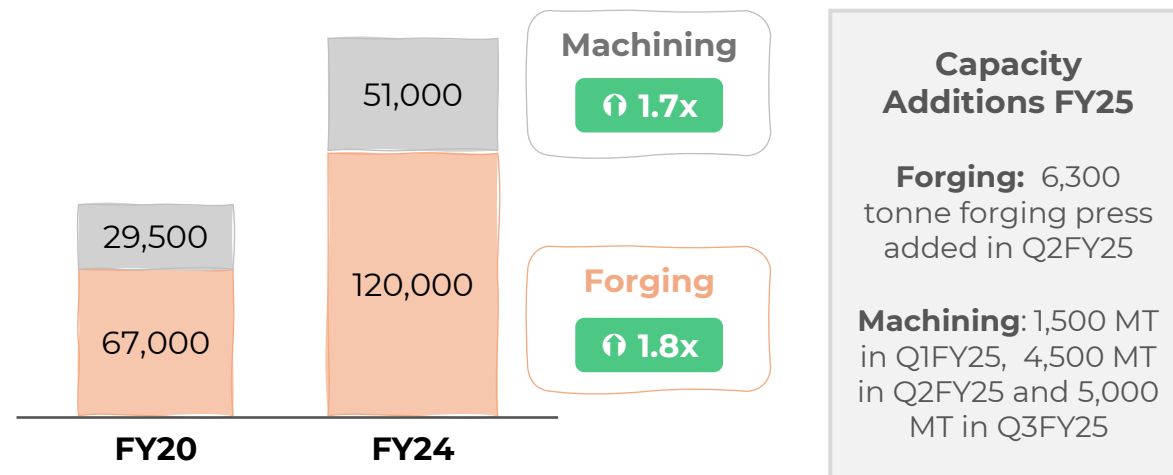
Dugri
(Ludhiana, PB)



Kanganwal I
(Ludhiana, PB)



Installed Capacity: FY24 vs FY20



Gross Block and Capex

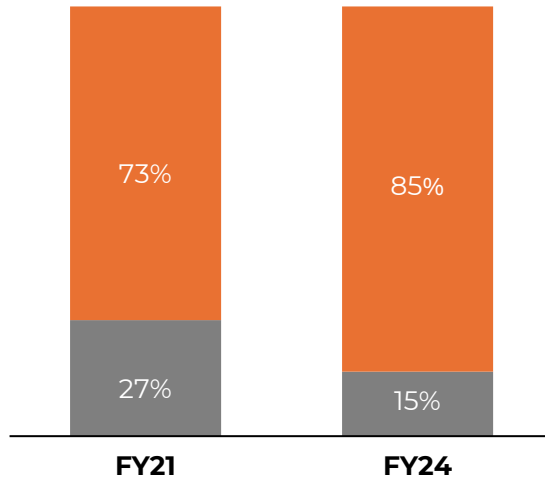
Gross Block FY24 (Ind AS) **Rs. 1,108 Cr.** (Rs. 440 Cr. in FY21) **↑ 2.5x**

Cumulative Capex (FY20-24) **Rs. 752 Cr.**

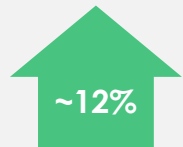
Debt/Equity (FY24) **0.09x**

Well Diversified Revenue Mix

PRODUCT MIX

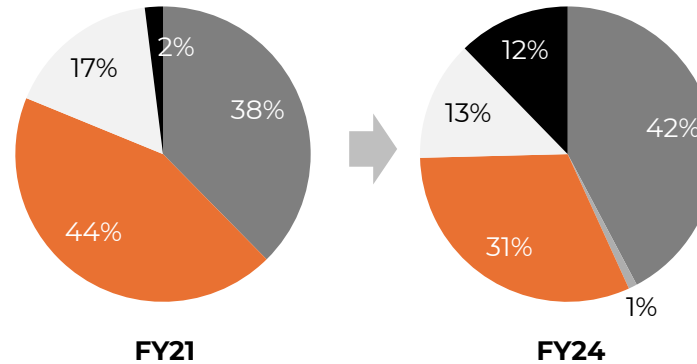


■ Forged Products ■ Machined Products



Increase in contribution of machined products which have higher realisations and margins

SECTOR MIX

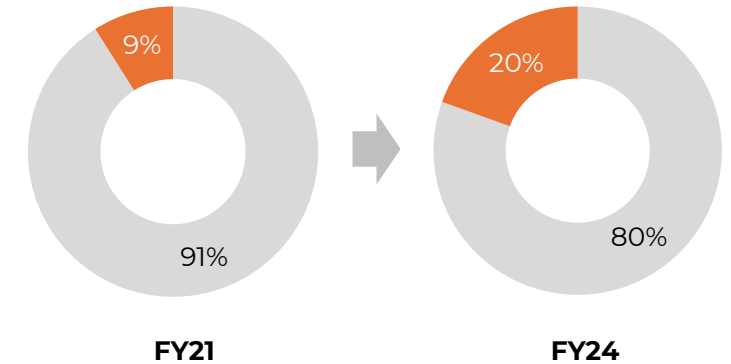


- Automotive - Commercial Vehicles
- Automotive - Passenger Vehicles
- Non-Automotive - Farm Equipments
- Non-Automotive - Off Highway Vehicles
- Non-Automotive - Industrials

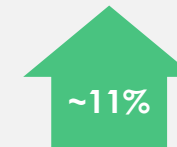


Increase in share of industrials business leading to a further diversification of the business

GEOGRAPHY MIX



■ Domestic ■ Exports



Rise in share of exports insulating the business from slower industry growth in the domestic market

Robust Growth Track Record

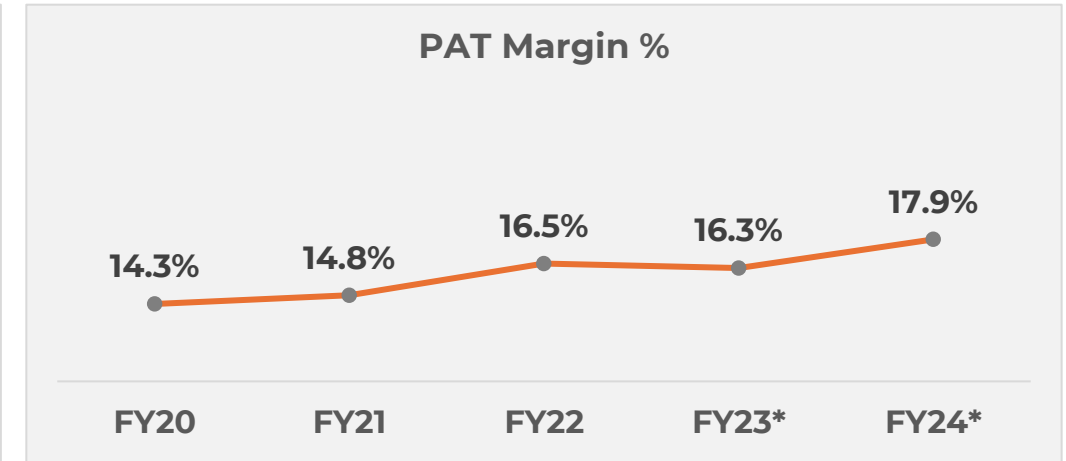
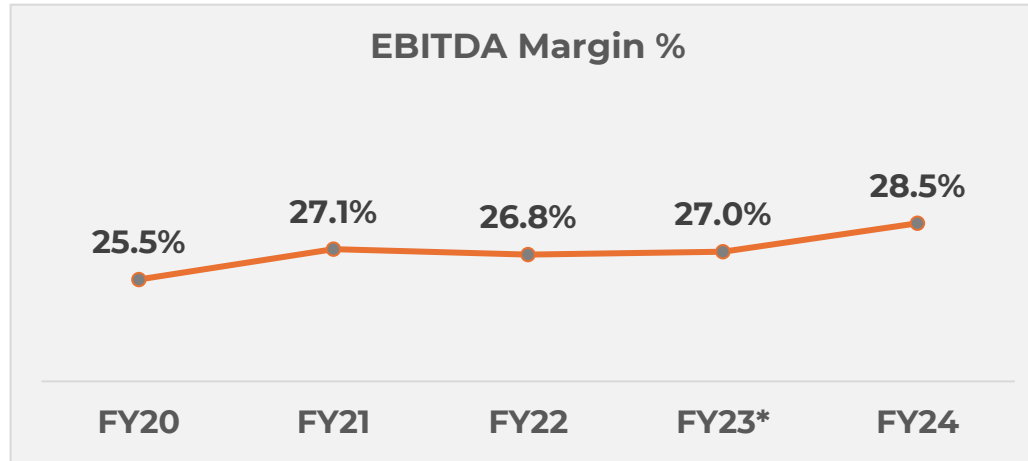
Volumes & Realisation	Particulars	FY20	FY21	FY22	FY23*	FY24	CAGR (FY20-FY24)
	Finished goods volume (MT)	32,284	35,534	42,777	50,656	55,379	14%
	Realisation/Kg (Rs.)	173	165	201	232	245	9%
	EBITDA/Kg (Rs.)	44	45	54	63	70	12%

Key Financials	Particulars	FY20	FY21	FY22	FY23#	FY24	CAGR (FY20-FY24)
	Revenue from operations	558	585	860	1,173	1,358	25%
	Gross profit	309	333	472	622	762	25%
	EBITDA	142	159	231	317	388	28%
	PAT	80	86	142	191	243	32%

* Realisation/kg and EBITDA/kg for FY23 is computed after adjustment of prior period income of Rs. 23.75 Cr.
 # FY23 Revenues, Gross Profit, EBITDA and PAT are excluding a prior period income of Rs. 23.75 Cr.

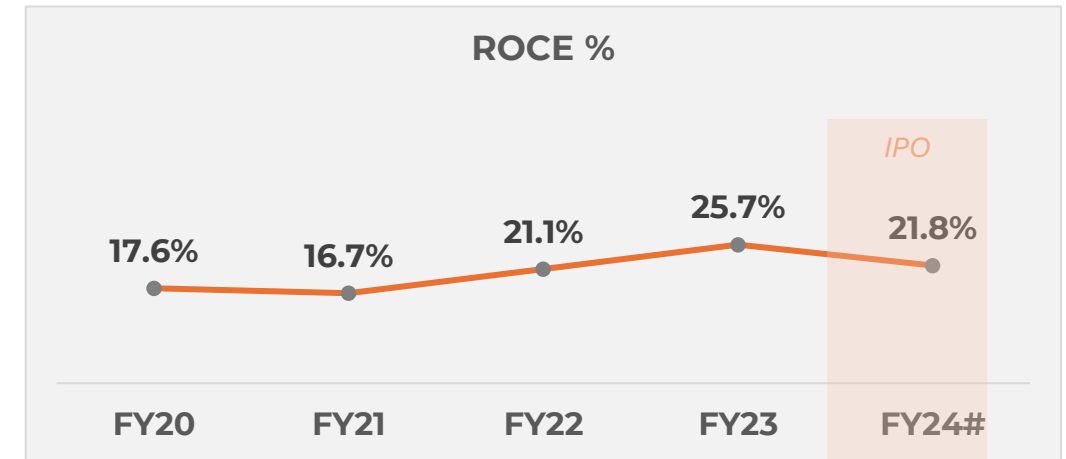
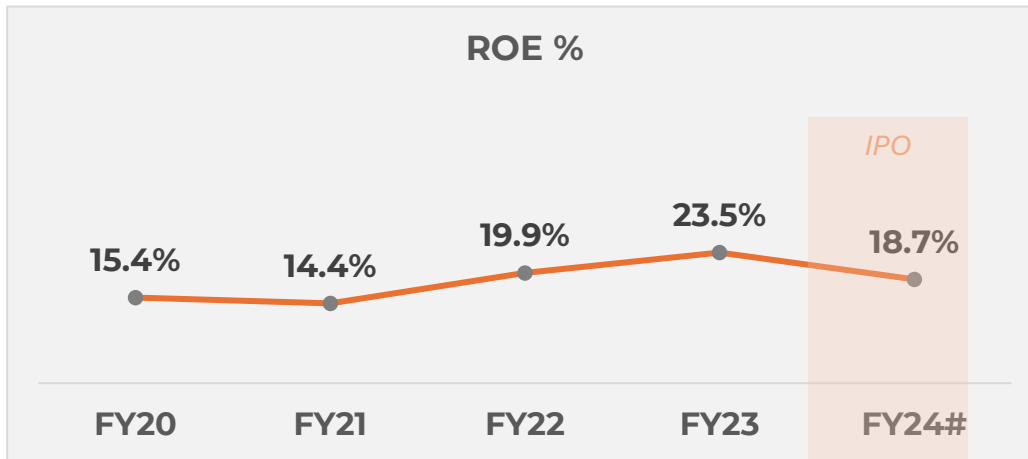
Consistency in Margins & Returns

Consistent Margin Performance



Robust Return Metrics

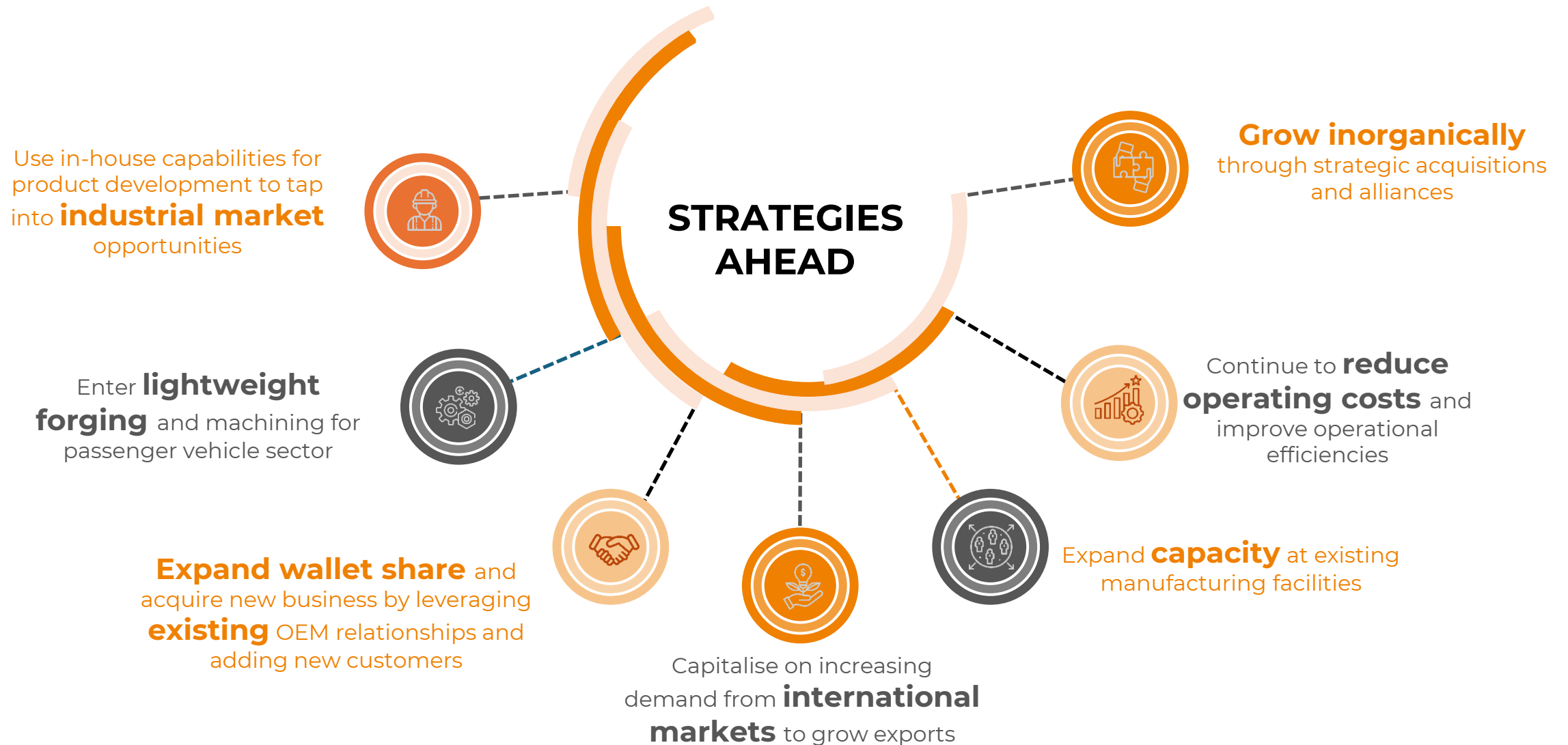
(FY24 has IPO funding impact)



* EBITDA and PAT margin for FY23 adjusted for prior period income.

RoE for FY24 after adjusting for FDRs and post-tax interest thereon was 20.6%. ROCE for FY24 after adjusting for FDRs and interest thereon, capital advances and CWIP was 26.9%

Strategic Priorities

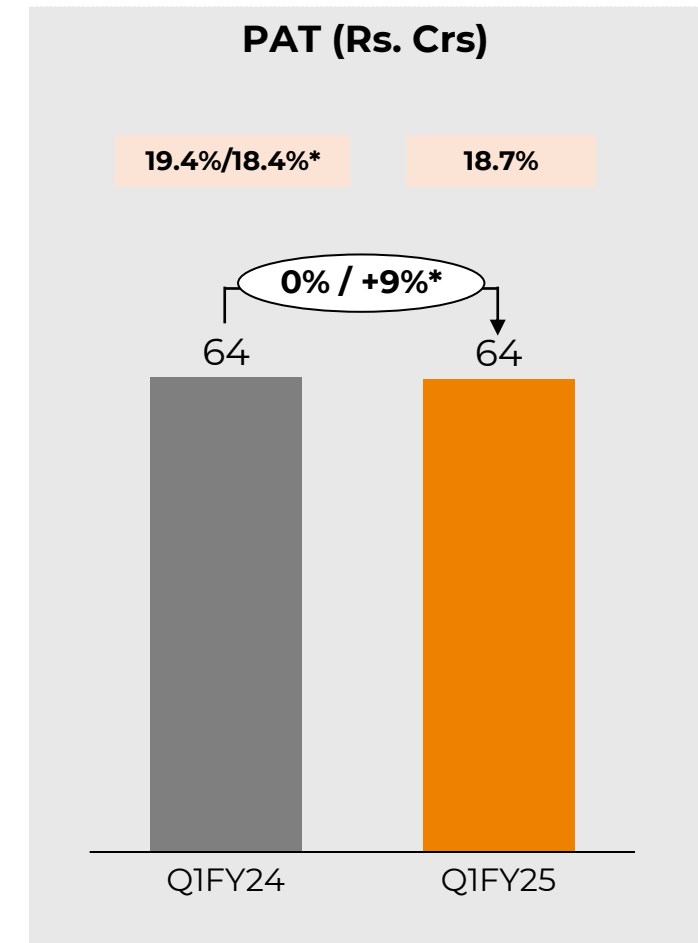
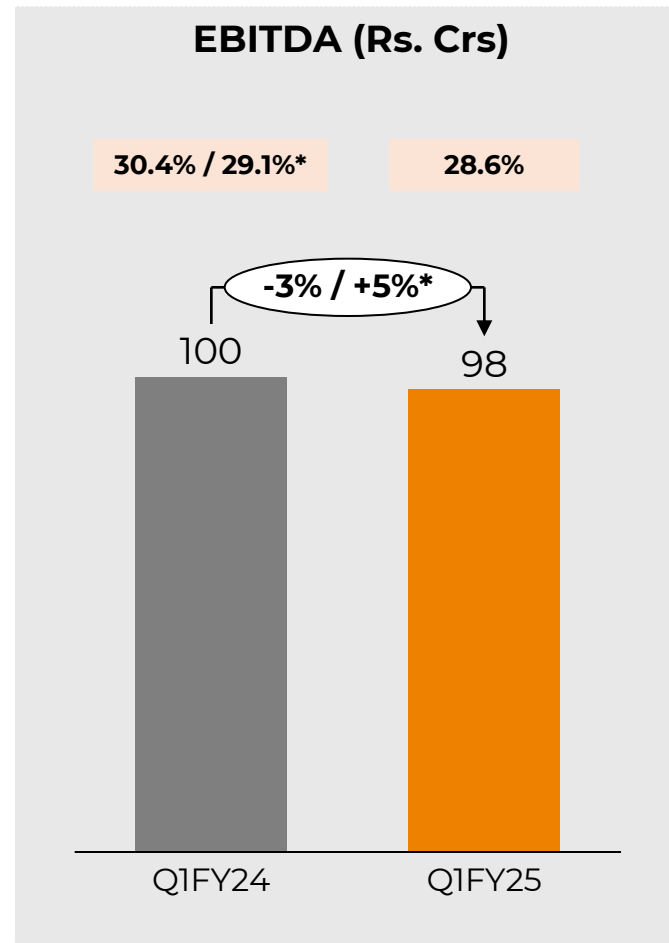
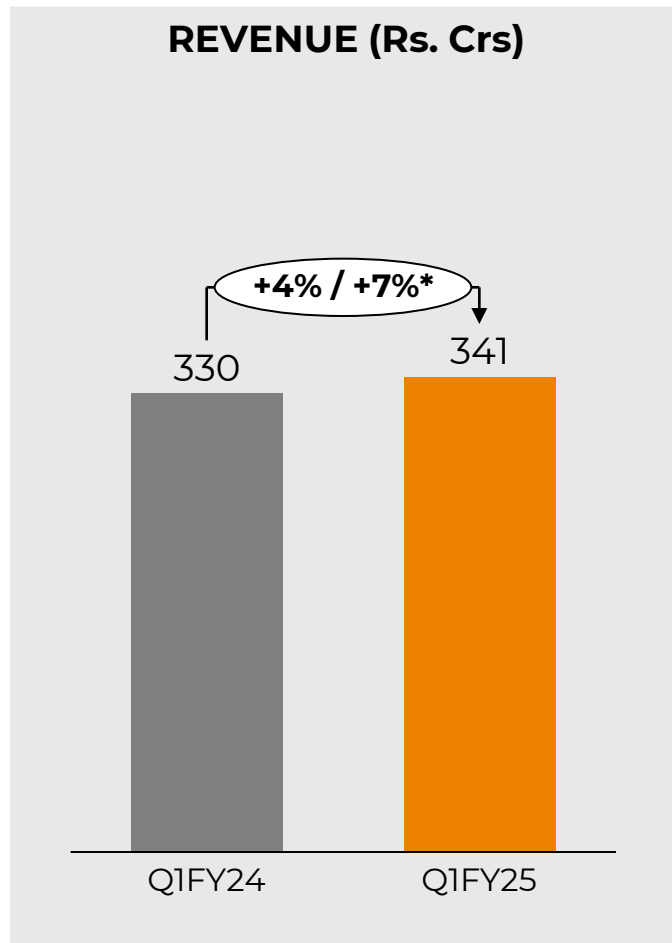




HAPPY FORGINGS LIMITED

Q1FY25 Performance Highlights

Q1FY25 Performance Highlights



 Margins

Volume & Realisation Trend

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, revenue was favorably impacted by higher realisation on account of air freight costs received on one order by ~Rs. 10 Crs. Adjusting for this impact, revenue would have grown by ~7% and realisation/kg. would have grown by ~4% yoy

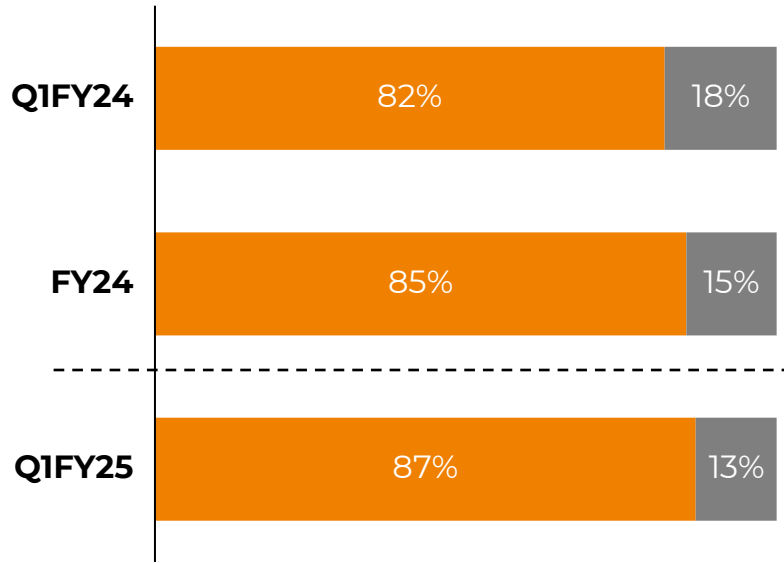
Profit & Loss Statement

Consolidated P&L (Rs. Crs)	Q1FY25	Q1FY24*	YoY%	FY24
Revenue from Operations	341	330	+3.5%	1,358
Raw Material cost & change in inventories	149	142		597
Gross Profit	193	188	+2.6%	762
Gross Profit Margin	56.5%	57.0%		56.1%
Employee Cost	29	25		114
Other Expenses	66	63		260
EBITDA	98	100	-2.6%	388
EBITDA Margin	28.6%	30.4%		28.5%
Depreciation	18	15		65
EBIT	80	85		323
EBIT Margin	23.3%	25.7%		23.8%
Finance Cost	1	3		12
Other Income	8	3		13
Profit before Tax	86	85	0.4%	324
Profit before Tax Margin	25.1%	25.9%		23.9%
Tax	22	21		81
PAT	64	64	-0.4%	243
PAT Margin %	18.7%	19.4%		17.9%
EPS Basic	6.77	7.16		26.78

* During Q1FY24, revenue was favorably impacted by higher realisation on account of air freight costs received on one order by ~Rs. 10 Crs. Adjusting for this impact, revenue would have grown by ~7% and realisation/kg. would have grown by ~4% yoy

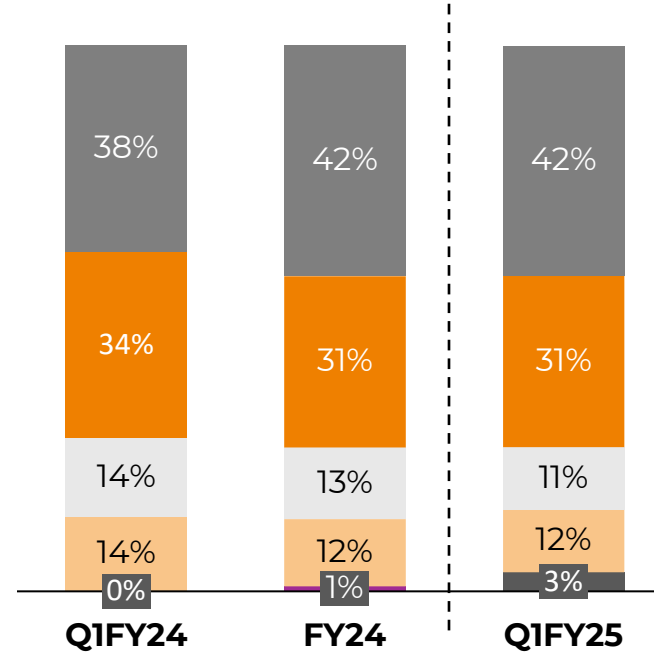
Key Data Points

PRODUCT MIX



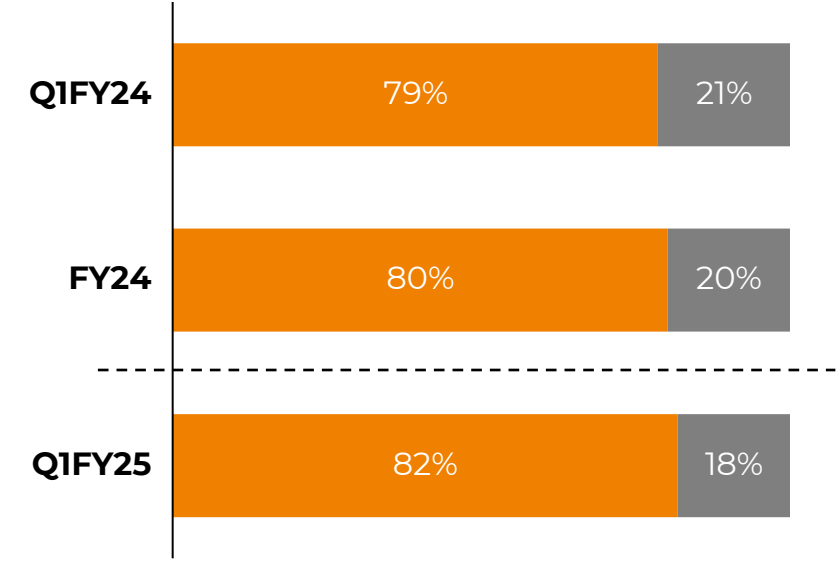
■ Forged products ■ Machined products

SECTOR MIX*



■ Automotive - Commercial Vehicles
 ■ Non-Automotive - Farm Equipments
 ■ Non-Automotive - Off Highway Vehicles
 ■ Non-Automotive - Industrials
 ■ Automotive - PV

GEOGRAPHY MIX*



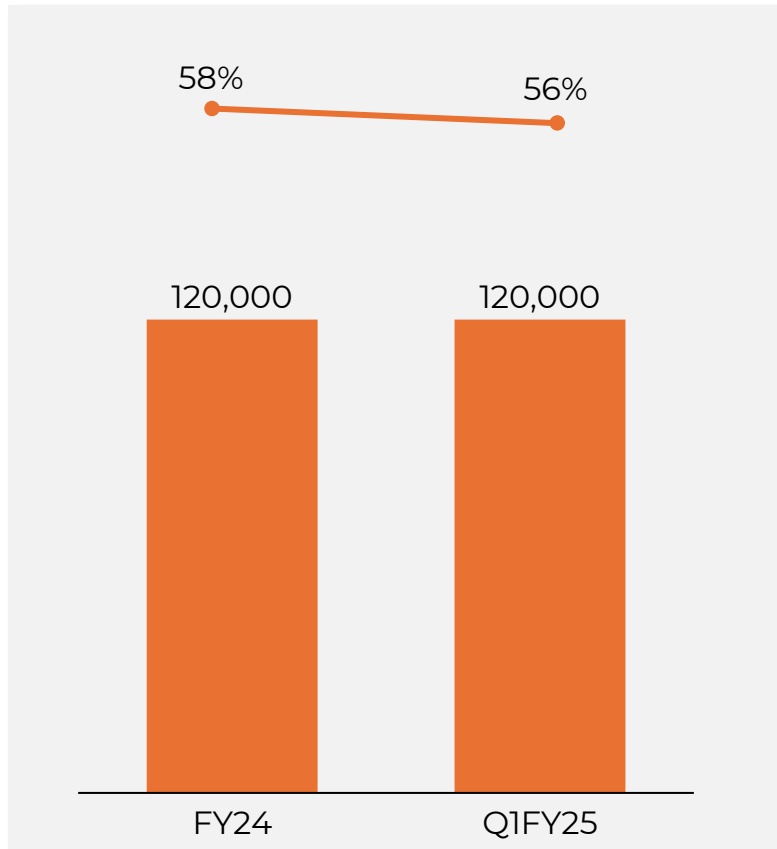
■ Exports ■ Domestic

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

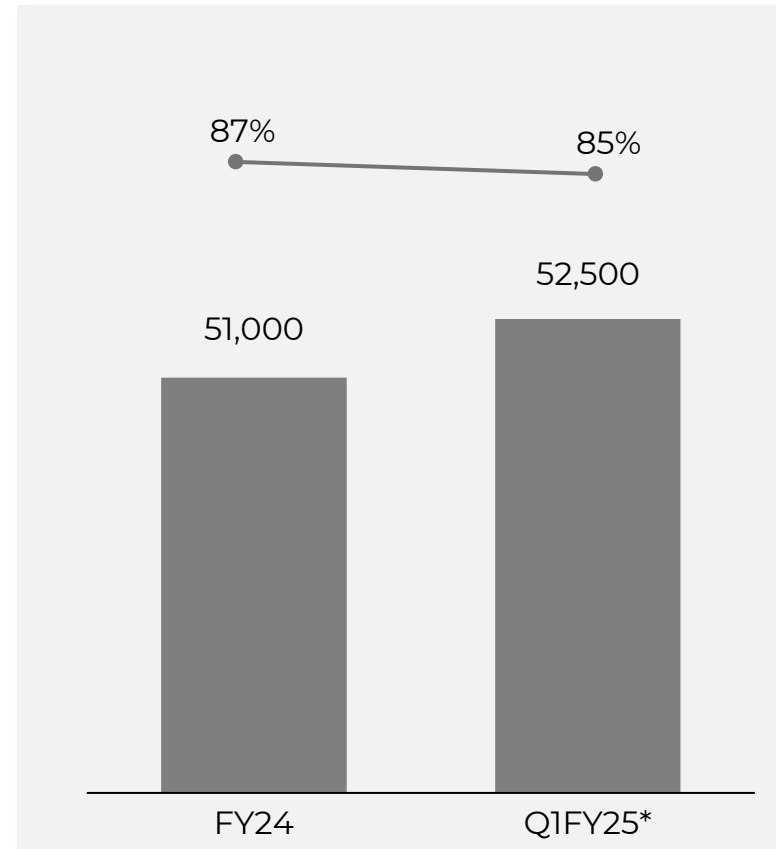
Installed Capacity & Utilisation Rate

Strategically adding capacity with a strong focus on capital efficiency



■ Forging Capacity (in MT)

—● Utilisation



■ Machining (in MT)

—● Utilisation

Figures represent Annual Capacity

Note: Installed capacity represents the capacity as on the last date of the relevant period.

Capacity utilization is based on the average available capacity for the period.

* Additional Machining capacity of 4,500 MT will get operational in Q2FY25 and 5,000 MT in Q3FY25



Thank You

Contact Us



investor.relations@happyforgingsltd.com
ami.parekh@sgapl.net
chaitanya.satwe@sgapl.net



BXXIX-2254/1, Kanganwal Road, P. O.
Jugiana, Ludhiana, Punjab, India – 141120

