



Press Release – 29/06/2020

Elgi Equipments Limited – Results for the financial year 2019-20

Elgi Equipments Limited, a manufacturer of air compressors announced today the results for the financial year 2019-20 posting a PAT of Rs. 42.6 Crores, compared to Rs. 103.1 Crores for the financial year 2018-19 on a consolidated basis. Consolidated sales for the group was Rs. 1,829 Crores for 2019-20, compared to Rs. 1,863 Crores for the previous year.

The financial year 2019-20 witnessed mixed results across various geographies in which the Company operates. The volatility in the Indian economy, coupled with the impact of lockdown in March'20 resulted in a reduction of revenues from India during the last quarter of 2019-20. Despite good growth in revenues from international markets, sales performance was marginally lower than the previous year on a consolidated basis. Lower consolidated PAT was due to the planned growth oriented investments in Europe, which are expected to show results in the coming quarters. The economic sluggishness in India also resulted in missing the targeted growth for which we had invested in people.

The standalone PAT for the financial year 2019-20 was higher at Rs. 100.4 Crores as compared to Rs. 84.7 Crores for the previous financial year. This is because of the dividend received from some of the overseas subsidiaries.

Automotive Business

The Company's automotive business saw a drop from its sales levels when compared to the corresponding quarter in 2018-2019, due to continuing unfavourable market conditions faced by the automotive industry coupled with the lockdown in March'20 due to COVID-19. However, PAT was maintained at satisfactory levels.

Outlook for 2020-21

Business outlook for the year ahead is uncertain in the context of COVID-19 but the Company has been actively initiating various mitigating measures to contain costs and conserve cash flows. Our performance in the current year, though below the normal run rates, is encouraging with all of our international businesses delivering revenue disproportionately better than our India business.

For and on behalf of Elgi Equipments Limited

Mr. Jairam Varadaraj

Managing Director