



Press Release – 14/08/2020

Elgi Equipments Limited – First quarter 2020-21 results

Elgi Equipments Ltd, manufacturer of air compressors, announced today the results for the first quarter ended 30th June, 2020, posting a negative PAT of Rs.8.7 Crore for the quarter, compared to a positive PAT of Rs. 17 Crore in the same period in 2019-2020 on a consolidated basis. The COVID-19 pandemic affected the company's business globally with the most severe impact seen in April'20 when lockdowns were in force in multiple geographies.

Consolidated sales for the quarter was Rs.286 Crore as against Rs.467 Crore in the corresponding quarter in 2019-2020.

The standalone negative PAT for the quarter was Rs.7.1 Crore as compared to a positive PAT of Rs.13.9 Crore in the same period in 2019-20.

Despite the COVID-19 pandemic, the Company's compressor business performed well in select markets like Australia and USA while in India sales was impacted due to complete lockdown in April'20 and partial lockdowns in May / June. In India, segments such as Pharmaceuticals, Food & Beverage are doing reasonably well, post lifting of the complete lockdown. Capacity utilization in most geographies has been significantly below normal levels and capacity creation has been subdued.

The Company's automotive business sales declined by 58% compared to the corresponding period in the last year as the COVID-19 pandemic has impacted the sales of the division. But the division has witnessed progressive improvement in the sales revenue from June 2020 onwards.

The Board of Directors has considered and recommended issue of bonus shares in the proportion of one new equity share for every one existing equity share to the shareholders.

Outlook for the second quarter 2020-21

Business outlook for year ahead continues to be uncertain even though the Company has improved sales and inflows in June'20 and July'20. Many countries are slowly limping back to normal and business is expected to grow progressively from now on. The Company will continue to monitor the growth of segments that are showing promise. Overall, the outlook appears to be better for Q2 than Q1.

For ELGI EQUIPMENTS LIMITED


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