



HAPPY FORGINGS LIMITED

Press Release

Happy Forgings Limited Posts 5.3% EBITDA and 2.8% PAT Growth YoY in Q4FY25; Posts Best ever Gross Profit, EBITDA and Net Margin in FY25

Ludhiana, May 17, 2025: Happy Forgings Limited (NSE: HAPPYFORGE, BSE: 544057), one of India's leading engineering-led manufacturers of high-precision, safety-critical, heavy-forged, and machined components, announced its **consolidated financial results** for Q4FY25 and the full year ending March 31, 2025. The Board has recommended a dividend of Rs. 3 per share for FY25.

Financial Performance Highlights:

Consolidated P&L (Rs. Cr)	Q4FY25	Q4FY24	YoY	FY25	FY24	YoY
Revenue from Operations	352	343	2.5%	1,409	1,358	3.7%
Gross Profit	206	194	6.4%	817	762	7.3%
Gross Profit Margin	58.7%	56.5%		58.0%	56.1%	
EBITDA	102	97	5.3%	407	388	4.9%
EBITDA Margin	29.1%	28.3%		28.9%	28.5%	
PAT	68	66	2.8%	267	243	10.1%
PAT Margin %	19.2%	19.2%		19.0%	17.9%	
EPS Basic	7.18	7.25		28.39	26.78	

Key Quarterly Highlights (YoY)

- **Revenue from Operations:** INR 352 crores, up 2.5% YoY, backed by a strategic focus on higher-quality and value-added product mix across core segments.
- **Gross Profit:** INR 206 crores, up 6.4% YoY, with a 215 bps margin expansion.
- **EBITDA:** INR 102 crores, up 5.3% YoY, with a 76 bps margin improvement.
- **PAT:** INR 68 crores, up 2.8% YoY, with an 19.2% margin.

FY25 Performance Highlights (YoY)

- **Revenue from Operations:** INR 1,409 crores, up 3.7% YoY.
- **Gross Profit:** INR 817 crores, up 7.3% YoY, with a 193 bps margin expansion.
- **EBITDA:** INR 407 crores, up 4.9% YoY, with margins improving to 28.9%.
- **PAT:** INR 267 crores, up 10.1% YoY.



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MANAGEMENT COMMENTARY

Mr. Ashish Garg, Managing Director, Happy Forgings Limited, said:

“I am pleased to share the key performance highlights for FY25 and Q4FY25, which reflect our resilience driven by a strategic focus on business diversification, expansion into new verticals, and the pursuit of higher value-add business that contributed to overall growth.

In FY25, we delivered our best-ever full-year profitability, with a Gross Profit margin of 58.0%, an EBITDA margin of 28.9%, and an adjusted PAT margin of 18.6%, reflecting consistent profitability improvement over the years. Revenues grew 4.7% yoy on an adjusted basis, despite a ~4% impact from the decline in steel prices. Adjusted EBITDA and PAT grew by 7.4% and 11.2%, respectively. Realisation for the year stood at Rs. 248/kg, 1.5 times higher than 2021 levels. During the year, we announced new orders worth over Rs. 1,600 Crs in the PV and Industrial segments, to be executed over the next 5-8 years, with annual peak sales potential from these orders exceeding Rs. 250 Crs.

During Q4FY25, we recorded yoy growth of 2.5%, 6.4%, and 5.3% in Revenues, Gross Profit, and EBITDA, respectively, supported by strong and improved Gross Profit and EBITDA margins of 58.7% and 29.1%, respectively. We witnessed encouraging yoy growth in the Industrials, Off-highway, and Farm Equipment segments in Q4FY25.

This strong performance was achieved despite significant headwinds, including a double-digit decline in international CV, Farm Equipment, and Off-highway segments, a domestic slowdown in the MHCV segment, and falling steel prices, demonstrating the strength and resilience of our business model.

Our balance sheet remains robust, with liquidity of Rs. 356 Crs. with one of the lowest DE ratio at 0.1x, supported by strong operating cash flow generation of Rs. ~290 Crs. in FY25. This positions us well to support our capex plan over the next three years that can be funded primarily through internal accruals. Reflecting our strong financial position, the Board has recommended a dividend of Rs. 3 per share for FY25, implying a payout ratio of ~11%.

We remain committed to our strategic priorities and growth, investing in capabilities to serve diversified segments while pursuing value-accretive opportunities to reinforce our positive trajectory.”

ADDITIONAL INFORMATION:

Volume & Realization Trend:

Particulars	FY25	FY24	YoY
Finished Goods Volume (MT)	56,906	55,379	2.8%
Realisation/Kg (Rs.)	248	245/243*	0.9%/ 1.9%*

* During FY24, financials were favorably impacted by higher realization on account of air freight costs received on one order (by ~Rs. 13 Crs). Adjusting for this impact, adjusted realisation for FY24 was Rs. 243/Kg.



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Product Mix:

- Contribution of machined products stood at 87% FY25.

Sector Mix:*

- Commercial Vehicles share stood at 38% in FY25, compared to 43% in FY24.
- Farm Equipment segment remained stable at 32% in FY25.
- Industrials share increased to 14% in FY25 compared to 11% in FY24.
- Off-Highway Vehicles share stood at 12% in FY25, as compared to 13% in FY24.
- Passenger Vehicles (PV) now accounts for 4% revenue share in FY25 as compared to 1% in FY24.

*Including the favorable impact of higher realization, the sector mix for FY24 was; Commercial Vehicles – 42%, Farm Equipment – 31%, Off-Highway Vehicles – 13%, Industrials – 12% and Passenger Vehicles – 1%.

Geography Mix:

- Direct exports accounted for 18% & Domestic sales contributed 82% of total revenue in FY25.

About Happy Forgings Limited

Happy Forgings is one of the largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in India in terms of forgings capacity. The Company through its vertically integrated operations is engaged in engineering, process design, testing, manufacturing, and supply of a variety of components that are both margin accretive and value-additive. The Company primarily caters to domestic and global original equipment manufacturers ("OEMs") manufacturing commercial and passenger vehicles in the automotive sector and in the non-automotive sector, the company caters to manufacturers of farm equipment, off-highway vehicles and manufacturers of industrial equipment and machinery for oil and gas, power generation, railways and wind turbine industries.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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