



HAPPY FORGINGS LIMITED

Press Release

Happy Forgings Limited Reports 3.6% YoY Growth in both EBITDA and Revenue in Q1FY26; PAT up by 3.0%

Ludhiana, August 9, 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 the quarter ending 30th June 2025.

Financial Performance Highlights:

Consolidated P&L (Rs. Cr)	Q1FY26	Q1FY25	YoY	FY25	FY24	YoY
Revenue from Operations	354	341	3.6%	1,409	1,358	3.7%
Gross Profit	205	193	6.3%	817	762	7.3%
Gross Profit Margin	57.9%	56.5%		58.0%	56.1%	
EBITDA	101	98	3.6%	407	388	4.9%
EBITDA Margin	28.6%	28.6%		28.9%	28.5%	
PAT	66	64	3.0%	267	243	10.1%
PAT Margin %	18.6%	18.7%		19.0%	17.9%	
EPS Diluted	6.96	6.76		28.37	26.75	

Key Quarterly Highlights (YoY)

- **Revenue from Operations:** INR 354 crores, up 3.6% YoY, driven by 3.8% volume growth, stable realisations and robust mix of higher-quality, value-added products across core segments.
- **Gross Profit:** INR 205 crores, up 6.3% YoY, with a margin expansion of 144 bps
- **EBITDA:** INR 101 crores, up 3.6% YoY, with margins at 28.6%.
- **PAT:** INR 66 crores, up 3.0% YoY, with margins at 18.6%.



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MANAGEMENT COMMENTARY

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

“Despite persistent headwinds in several end-user industries and a deflationary steel price environment, we delivered a resilient performance in Q1 FY26. Finished goods volume grew by ~4% year-on-year, and revenue from operations recorded a similar growth, supported by stable realisations of ₹245/kg despite lower input steel prices.

Domestic demand remained healthy, particularly in the Passenger Vehicles, Farm Equipment, and Industrial segments, driving ~7% year-on-year growth in our domestic business. In contrast, exports were impacted by sluggish demand in the Commercial Vehicles, Farm Equipment, and Off-Highway segments, as well as uncertainty around tariffs in certain geographies. As a result, offtake in some of our older businesses has declined, although there has been no loss in share of business. However, this impact has been offset by new business wins and our entry into new segments. The Passenger Vehicles and Industrials segments continue to scale up as part of our broader portfolio diversification strategy.

Uncertainty in export markets persists, driven by evolving tariff dynamics. While our direct exposure to the US remains limited, the European market could experience disruptions from the spillover effects of recent tariff actions. So far, we have not seen any adverse developments in our prospective business pipeline and, in fact, anticipate securing some new orders from the European region. While tariff-related challenges may moderate revenue growth trends in the broader industry, we are confident of sustaining our margins. We continue to monitor developments closely and await further clarity on the tariff environment.

Amid these challenges, where the industry is facing pressure on both growth and margins, we have managed to maintain strong profitability. Gross Profit grew by 6% yoy outpacing revenue growth and led to an improvement in Gross margin by ~140 basis points year-on-year to 57.9%, while EBITDA margin remained robust at 28.6%, comparable to FY25 levels. Our balance sheet remains strong, with liquidity of over Rs. 350 Crs at quarter-end, positioning us well to navigate volatility and invest in future growth. Our capex plans are progressing as scheduled, aligned with our long-term vision of building differentiated capabilities in niche, high-value product segments.”

ADDITIONAL INFORMATION:

Volume & Realization Trend:

Particulars	Q1FY26	Q1FY25	YoY
Finished Goods Volume (MT)	14,457	13,933	3.8%
Realisation/Kg (Rs.)	245	245	-0.1%

Product Mix:

- Contribution of machined products increased from 87% in Q1FY25 to 88% in Q1FY26.

Realizations:



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- Realizations remained stable despite lower input steel prices.

Sector Mix:

- Commercial Vehicles share stood at 39% in Q1FY26, compared to 42% in Q1FY25.
- Passenger Vehicles (PV) now accounts for 6% revenue share in Q1FY26 as compared to 3% in Q1FY25.
- Farm Equipment segment increased from 31% in Q1FY25, to 32% in Q1FY26.
- Industrials share increased to 13% in Q1FY26 compared to 11% in Q1FY25.
- Off-Highway Vehicles share stood at 10% in Q1FY26, as compared to 12% in Q1FY25 showcasing a minor dip.

Geography Mix:

- Direct exports accounted for 16% and Domestic sales contributed 84% of the total revenue in Q1FY26.

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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