



HAPPY FORGINGS LIMITED

Press Release

Highest Ever Quarterly Gross Margin at ~60% and EBITDA Margin at ~31%

Ludhiana, November 6, 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 and half year ending 30th September 2025.

Financial Performance Highlights:

Consolidated P&L (Rs. Cr)	Q2FY26	Q2FY25	YoY	H1FY26	H1FY25	YoY
Revenue from Operations	377	361	4.5%	731	703	4.1%
Gross Profit	228	213	7.1%	433	405	6.7%
Gross Profit Margin	60.3%	58.8%		59.2%	57.7%	
EBITDA	116	105	9.9%	217	203	6.9%
EBITDA Margin	30.7%	29.2%		29.7%	28.9%	
PAT	73	71*	2.9%*	139	135*	2.9%*
PAT Margin %	19.5%	19.8%		19.0%	19.2%	
EPS Diluted	7.78	7.57		14.73	14.33	

* Includes Insurance income of ₹6.4 Cr (₹4.8 Cr on a post-tax basis) in Q2FY25 and H1FY25. Adjusting for this in Q2FY25 and H1FY25, YoY PAT growth would be 10.2% in Q2FY26 and 6.7% in H1FY26

Key Quarterly Highlights (YoY)

- **Revenue from Operations:** INR 377 crores, up 4.5% YoY, driven by 5.2% YoY volume growth in Q2, stable realisations and healthy domestic demand.
- **Gross Profit:** INR 228 crores, up 7.1% YoY, with a margin expansion of ~150 bps.
- **EBITDA:** INR 116 crores, up 9.9% YoY, with margins at 30.7%.
- **PAT:** INR 73 crores, up 10.2% YoY on adjusted basis, with margins at 19.5%.

Key Half Yearly Highlights (YoY)

- **Revenue from Operations:** INR 731 crores, up 4.1% YoY and 4.5% YoY volume growth in H1FY26.
- **Gross Profit:** INR 433 crores, up 6.7% YoY, with a margin expansion of ~150 bps.
- **EBITDA:** INR 217 crores, up 6.9% YoY, with margins at 29.7%.
- **PAT:** INR 139 crores, up 6.7% YoY on adjusted basis, with margins at 19.0%.



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MANAGEMENT COMMENTARY

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

“We are delighted to report a robust performance for Q2 and H1 FY26, highlighted by the highest-ever quarterly gross margin (~60%) and EBITDA margin (~31%). This strong performance underscores our ability to successfully navigate softening steel prices and uneven growth across industry segments and geographies, while continuing to deliver industry-leading profitability, strong cash generation, and a healthy balance sheet that supports sustained investments for long term value creation.

From a growth perspective, volumes rose 5.2% YoY in Q2, and revenue from operations increased 4.5% YoY, driven by healthy demand across domestic Commercial Vehicle, Farm Equipment, Industrial, and Passenger Vehicle segments. Export demand remained muted due to weaker end-market conditions and customer de-stocking amid evolving tariff uncertainties. Gross profit, EBITDA, and adjusted PAT outpaced revenue growth, rising by approximately 7%, 10%, and 10% YoY, respectively, supported by gross and EBITDA margin expansion of around 150 bps each. For H1 FY26, the trajectory of volume and revenue growth remained similar to Q2, with margins continuing to strengthen year on year.

Our balance sheet continues to rank among the strongest in the industry. Efficient debtor and inventory management resulted in nearly 100% operating cash flow conversion in H1 FY26, reflecting improved working capital and strong operating cash flows. As of September 30, 2025, liquidity stood at around ₹315 crore, providing ample financial flexibility to pursue long-term growth opportunities. Meanwhile, our ₹650 crore capex program is progressing on schedule, laying a solid foundation for the next phase of expansion.

Amid global trade realignments and tariff-related headwinds, we continue to strengthen profitability and financial resilience. The ongoing capex cycle is focused on expanding capacity, advancing forging and precision machining technologies, and deepening partnerships with leading domestic and global OEMs. Supported by new business wins and diversification into high-value industrial applications, these investments will further enhance our capabilities and position us for sustainable, broad-based growth in the years ahead.”

ADDITIONAL INFORMATION:

Volume & Realization Trend:

Particulars	Q2 FY26	Q2 FY25	YoY	H1 FY26	H1 FY25	YoY
Finished Goods Volume (MT)	15,028	14,290	+5.2%	29,485	28,223	+4.5%
Realisation/Kg (Rs.)	251	253	-0.6%	248	249	-0.4%

Product Mix:

- Contribution of machined products is 88% for both Q2FY26 and H1FY26.



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Realizations:

- Realisations have held stable at Rs. 248 / Kg in H1FY26 despite a decline in raw material prices during the period.

Sector Mix:

- Commercial Vehicles share stood at 37% in H1FY26, compared to 39% in H1FY25.
- Passenger Vehicles (PV) now accounts for 5% revenue share in H1FY26 as compared to 4% in H1FY25.
- Farm Equipment segment increased to 34% in H1FY26, compared to 33% in H1FY25.
- Industrials share was stable at 13% in H1FY26.
- Off-Highway Vehicles share was at 10% in H1FY26, as compared to 11% in H1FY25 showcasing a minor dip.

Geography Mix:

- Direct exports accounted for 16% and Domestic sales contributed balance 84% of total revenue in H1FY26.

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.

For media and investor queries, please contact;

For Investor Queries,

- Vikas Thakur, +91 99159 51913, investor.relations@happyforgingsltd.co.in
- Jigar Kavaia, +91 99206 02034, jigar.kavaia@sgapl.net
- Pratik Shah, +91 98700 30585, p.s.shah@sgapl.net