



PRESS RELEASE

ESCORTS FIRST QUARTER NET PROFIT UP 33.5%

Q1 FY 2016-17 HIGHLIGHTS

PAT at ₹ 47 crore against ₹ 35.2 crore in corresponding quarter

Turnover increased by 9.3% to ₹ 1051.4 crore against corresponding quarter

Tractor volumes at 16,363 units, with 38% sequential and 10% corresponding growth

Construction Equipment volume correspondingly up by 45% at 739

Material cost down by 245 bps against the corresponding quarter

- Profit for Q1 grows to ₹47 crore
- Q1 EBIDTA up 52.4% at ₹87.8 crore
- Tractor volumes up 10% to 16,363 units

New Delhi, July 28, 2016: Escorts Limited today reported an increase in net profit by 33.5% at ₹ 47 crore in the quarter ending June 2016 against ₹ 35.2 crore in quarter ended June 2015.

Escorts turnover increased correspondingly by 9.3% to ₹ 1051.4 crore in quarter ending June 2016 against ₹ 961.4 crore in quarter ended June 2015.

EBIDTA for the first quarter of this fiscal year is correspondingly up by 52.4% at ₹ 87.8 crore against ₹ 57.6 crore in quarter ending June 2015. Material cost is down by 245 bps at 67.9% against 70.3% in corresponding quarter ending June 2015.

Consequently, there is a significant improvement in segment margins with Escorts Agri Machinery showing a corresponding positive increase of 203 bps at 11.3% in quarter ending June 2016 as compared 9.2% in quarter ending June 2015.

Tractor volumes are correspondingly up by 10% to 16,363 tractors in quarter ending June 2016. **Construction Equipment** volumes during this quarter showed a 45% increase to 739 units against the corresponding quarter ending June 2015, resulting in positive swing of 494 bps at EBIT margin in ECE segment. **Escorts Railway Products** segment margin (EBIT) up by 462 bps at 17.3% in quarter ending June 2016 against 12.7% in quarter ending June 2015.

Speaking on the results, Chairman Mr. Rajan Nanda said, "The last quarter has shown a welcome upward trend in market demand. Sustaining it by the government taking advantage of a good monsoon would be important for the revival of the overall farm sector. The government has to provide a big impetus to farm mechanization, crop insurance and agriculture infrastructure. The construction industry too is showing signs of improvement and railways are on a healthy track. I am confident that if the economy continues to strengthen across sectors, our investments in better product mix, increased coverage, enhanced efficiencies and product innovation will deliver even better results."

ESCORTS LIMITED



Says Mr. Nikhil Nanda, Managing Director, "The Escorts strategy of superior products, strengthened marketing and brand initiatives, focus on cost efficiencies and focus on customer relationships has resulted in not only improvement in our core markets but also greater share in newer markets where we had fledgling presence. The introduction of best-in-class products in all segments is showing results and acquiring new customers. Given the cost compression strategies implemented in the recent past, an upturn in revenue gives a boost to our profitability. We will continue to focus on products that are superior and service that exceeds expectations."

SEGMENT WISE PERFORMANCE

Escorts Agri Machinery

Tractor volumes in the quarter ended June 2016 went up sequentially by 38.4% to 16,363 tractors against 11,823 tractors in quarter ended March 2016 and was correspondingly up by 10% against 14,875 tractors in quarter ended June 2015. The segment revenues increased correspondingly by 8.2% at ₹ 858.3 crore in quarter ending June 2016 against ₹ 793 crore in quarter ended June 2015.

Escorts Construction Equipment

Construction Equipment volumes stood at 739 units in quarter ending June 2016 against 508 units in quarter ending June 2015, showing a 45% corresponding growth. Revenue for the quarter up by 31.7% correspondingly to ₹ 124.8 crore as against ₹ 94.7 crore in corresponding quarter ending June 2015.

Railway Equipment Division

Escorts Railway Products has a current order book of ₹ 100 crores (approx.) which will stand executed in next 7 to 8 months. The revenues for the quarter increased by 11.9% to ₹ 54.5 crore against the corresponding quarter ending June 2015.

Escorts Auto Products

Escorts Auto Products recorded a revenue of ₹ 20.1 crore for the first quarter of fiscal 2016 as against ₹ 28.5 crore in the corresponding quarter ending June 2015.

The reviewed accounts of the quarter ending June 2016 has been approved by the Board of Escorts Limited.

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