



PRESS RELEASE

Escorts Profits grow by 54.4% at ₹ 101 crore

Tractor volumes in Q3 up by 27.4% at 16,963 units

Construction Equipment volumes in Q3 up 16.8% at 815 units

EBIDTA for Q3 up by 123.5% at ₹ 91.5 crore

Profit from continued operations in Q3 up by 107.7% at ₹ 53.6 crore

One-time loss from discontinued operations of ₹ 30.8 Crore

New Delhi, February 9, 2017: Escorts Limited today reported a profit of ₹ 22.7 crore in the quarter ending December 31, 2016 up by 11.2 percent as against a profit of ₹ 20.4 crore in the corresponding quarter in the previous fiscal. The profit reported is after one time loss from discontinued operations in respect of its Auto Products business of Rs 30.8 cr. The net profit for the nine months ending December

2016 was up by 54.4 percent at ₹ 101 crore as against ₹ 65.4 crore in the corresponding period last year.

HIGHLIGHTS 9MFY17

Turnover up 18.7% at ₹ 3,123.7 crore.

EBIDTA up by 87.5% at ₹ 249.4 crore.

Domestic tractor market share up at 10.4%

Material cost down by 156 bps

EBIDTA margins up by 293 bps

EPS at ₹ 8.45 as against ₹ 5.48 last year.

Tractor sales were up by 27.4 percent at 16,963 units during the third quarter of the current fiscal. Sales of construction equipment went up by 16.8 percent at 815 units as against 698 units in the corresponding quarter.

Turnover for the quarter was up by 22.6 percent to ₹ 1,093 crore as against the quarter ended December 2015. Turnover for first nine months of fiscal 2017 stood at ₹ 3,123.7 crore, up by 18.7 percent as against ₹ 2,632.7 crore in the nine months ended December 2015. Material cost was down by 156 bps at 68.6 percent as against 70.2 percent in the corresponding nine-month period.

EBIDTA from continuing operations for the quarter was up by 123.5 percent at ₹ 91.5 crore as against ₹ 40.9 crore in the corresponding quarter. EBIDTA for the First nine months was up by 87.5 percent at ₹ 249.4 crore as against ₹ 133 crore in the corresponding nine-

month period last fiscal.

Speaking on the results, **Chairman Mr. Rajan Nanda** said, "We are on a growth trajectory. Escorts today is prepared for a continued momentum and growth across sectors. Agricultural and highways focus in the union budget will also have a positive impact on farm income, rural economy and infrastructure development fostering further investments and opportunities."

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According to **Mr. Nikhil Nanda, Managing Director, Escorts Ltd**, "Escorts today is a leaner company with smart, integrated & efficient processes and infusing cost optimization across the board. Strategic focus on investments in expanding our product portfolio, appointing new dealers for an expanded coverage and wider service reach have resulted in better customer connect and demand. We will continue to innovate, add new product features and achieve cost efficiencies."

SEGMENT WISE PERFORMANCE

Escorts Agri Machinery

Tractor sales were correspondingly up by 27.4% at 16,963 units during the third quarter of the current fiscal. EBIT margins correspondingly up by 345 bps at 10.4% as compared to 7.0% in last year same quarter.

For the nine months of the year, tractor sales were up by 23.2% at 48,808 units. EBIT margins up by 258 bps at 10.4% as against 7.8% in the corresponding period. Market share grew to 10.4% as against 10.1% in the corresponding nine months.

Escorts Construction Equipment

Construction equipment volume in Quarter ended Dec'16 went up by 16.8% at 815 units against 698 units in the corresponding quarter. For nine months ended December construction equipment volume were up by 25.3% at 2,278 units as against 1,818 units in corresponding nine months.

Railway Equipment Division

The division recorded a 2.6% increase in revenue for the third quarter ended Dec'16 at ₹ 58 crore as against ₹ 56.5 crore in the corresponding quarter. For the nine month of the year, RED revenue stood at ₹ 175.9 crore, an increase of 2.9% against ₹ 170.9 crore in the corresponding period of the last fiscal. EBIT Margin for nine months up by 197 bps at 13.4% as against 11.4% in corresponding nine months. The current order book is around ₹ 130 crore and will be executed in the next 6-7 months.

Escorts Auto Products

Revenues from the Auto division was ₹ 15.5 crore in the quarter ending December 2016 as against ₹ 18.5 crore in December 2015. As a part of strategic reorientation we have divested Auto Product business.

The reviewed accounts of the third quarter and nine months ended 31st December 2016 has been approved by the Board of Directors of Escorts Limited.

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