



Q3 FY18 Earning Presentation

January 31, 2018

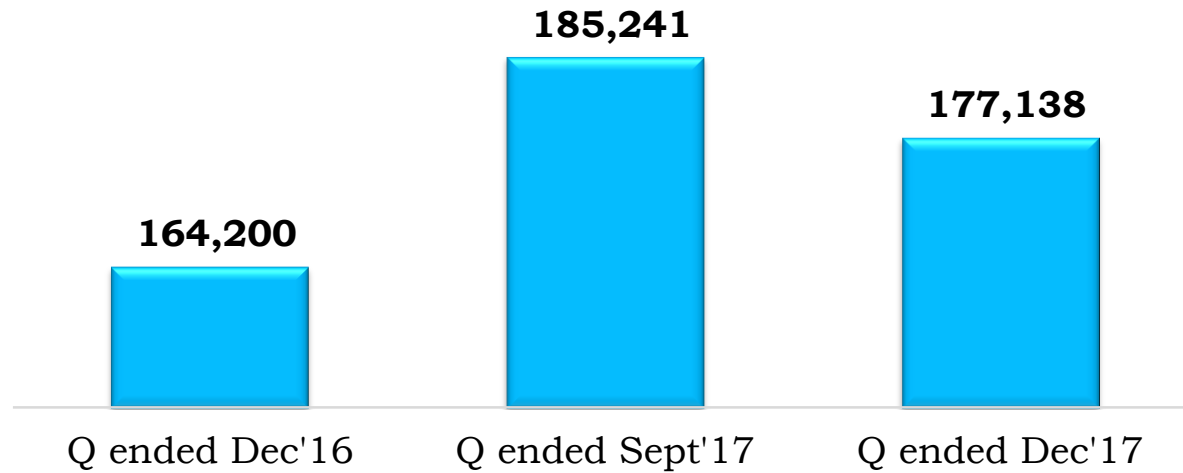


BSE: 500495 | NSE: ESCORTS

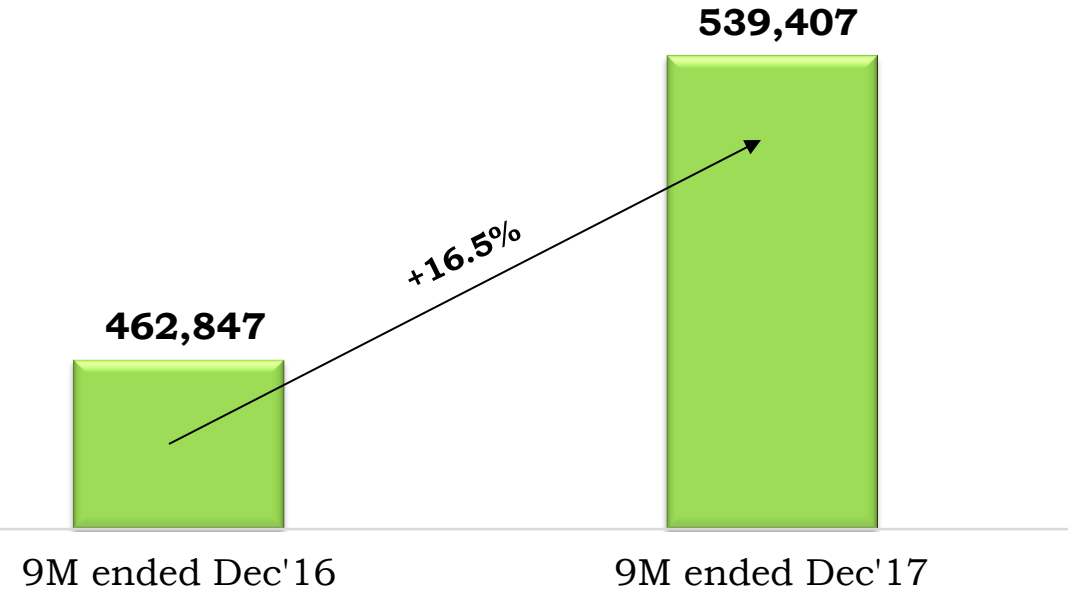
- Highlights
 - Tractor Industry
 - Construction Industry
 - Escorts Ltd Highlights
 - Q3FY18
 - 9MFY18
 - Credit Rating & Debt profile
- Management Message
- Segments Highlights
 - Q3FY18
 - 9MFY18
- Recent Development
- Share Holding Pattern
- Annexure

Domestic Tractor Industry Overview

Quarter



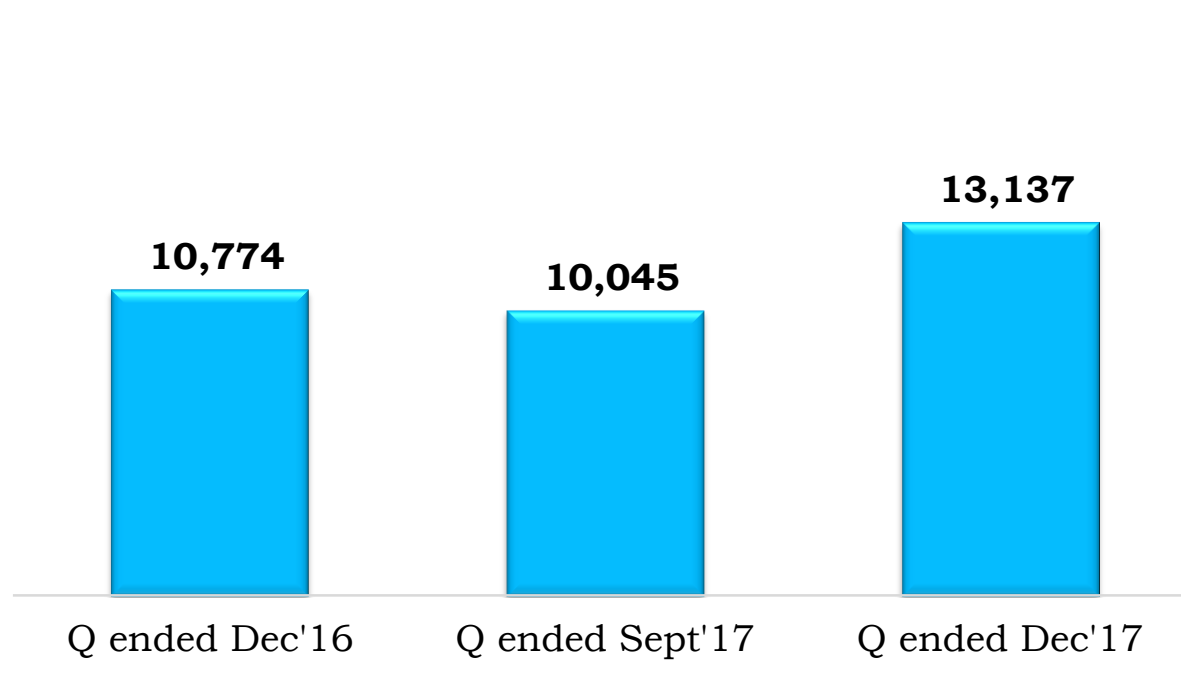
9 Months



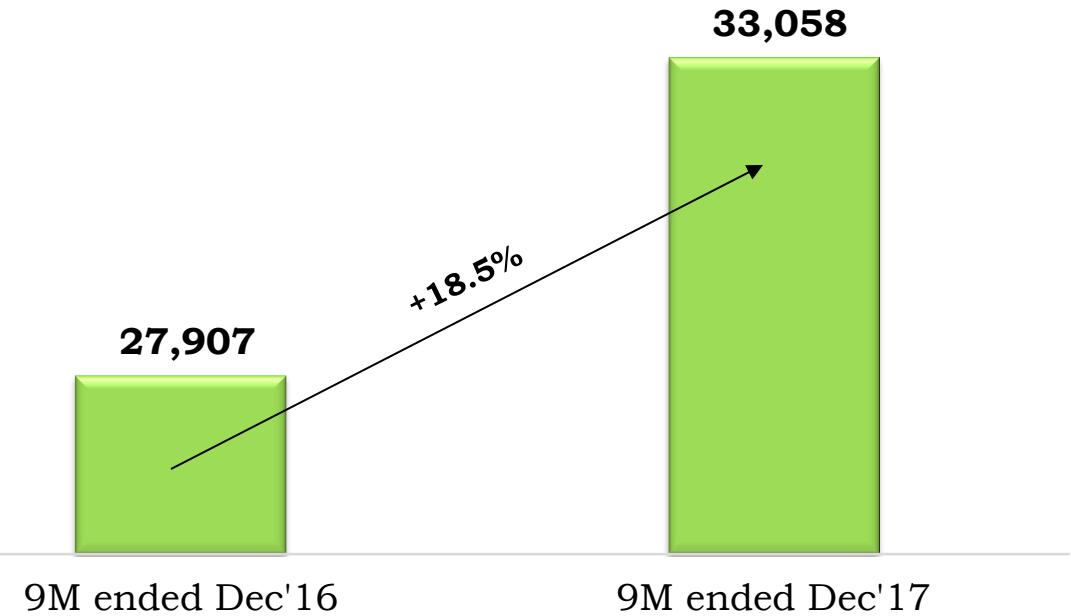
- In Q3FY18 on Y-o-Y domestic Industry up by 7.9%.
- Industry in Q3FY18 on Y-o-Y basis in North and central region grew by 6%, whereas industry grew by 10% in South and west region.
- On full year basis industry is expected to grow by 15~16%.
- The long term growth fundamentals of industry are strong with lowering of the replacement cycle, but the pace of the central & state Government's policy roll out would govern the short term industry performance.

Construction Industry Overview

Quarterly Served Industry



9 Months Served Industry



- Served industry (Backhoe Loaders, PnC and Compactors) went up by 21.9% in Q3FY18 wrt to LY.
- The construction equipment served industry up by 18.5% in 9MFY18 w.r.t 9MFY17.
- Material handling have been the biggest gainer in Q3FY18 with growth of 70% followed by compactors with 17% and backhoe loaders by 16%.
- On full year basis industry is expected to grow by 18~20%.

Escorts Ltd. Highlights Q3FY18

18,930 Units



Tractor Volume

+11.6%

Q3FY17
to Q3FY18

-7.01%

Q2FY18
to Q3FY18

1,087 Units



Construction Volume

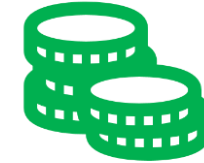
+33.4%

Q3FY17
to Q3FY18

+11.8%

Q2FY18
to Q3FY18

₹ 1,205.0 Cr.



Revenue

+10.3%

Q3FY17
to Q3FY18

-0.6%

Q2FY18
to Q3FY18

₹ 145.0 Cr.



EBIDTA

12.04% to sales



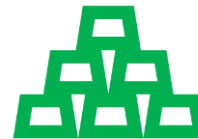
+58.5%
(+366 bps)

Q3FY17
to Q3FY18

+2.9%
(+41 bps)

Q2FY18
to Q3FY18

₹ 92.0 Cr.



Net Profit

+305%

Q3FY17
to Q3FY18

+18.6%

Q3FY18
to Q2FY18

₹ 7.7



EPS

+305%

Q3FY17
to Q3FY18

+18.6%

Q3FY18
to Q2FY18

Escorts Ltd. Highlights 9MFY18

56,849 Units



Tractor Volume

+16.5%

9MFY17 to 9MFY18

2,945 Units

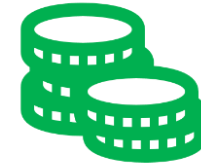


Construction Volume

+29.3%

9MFY17 to 9MFY18

₹ 3,579.9 Cr.



Revenue

+14.6%

9MFY17 to 9MFY18

₹ 383.5 Cr.

10.7% to sales



EBIDTA

+53.8%

+273 bps

9MFY17 to 9MFY18

₹ 232.2 Cr.

6.5% to sales



Net Profit

+130.0%

+330 bps

9MFY17 to 9MFY18

₹ 19.43



EPS

+130.0%

9MFY17 to 9MFY18

External
Credit Rating

LBBB-

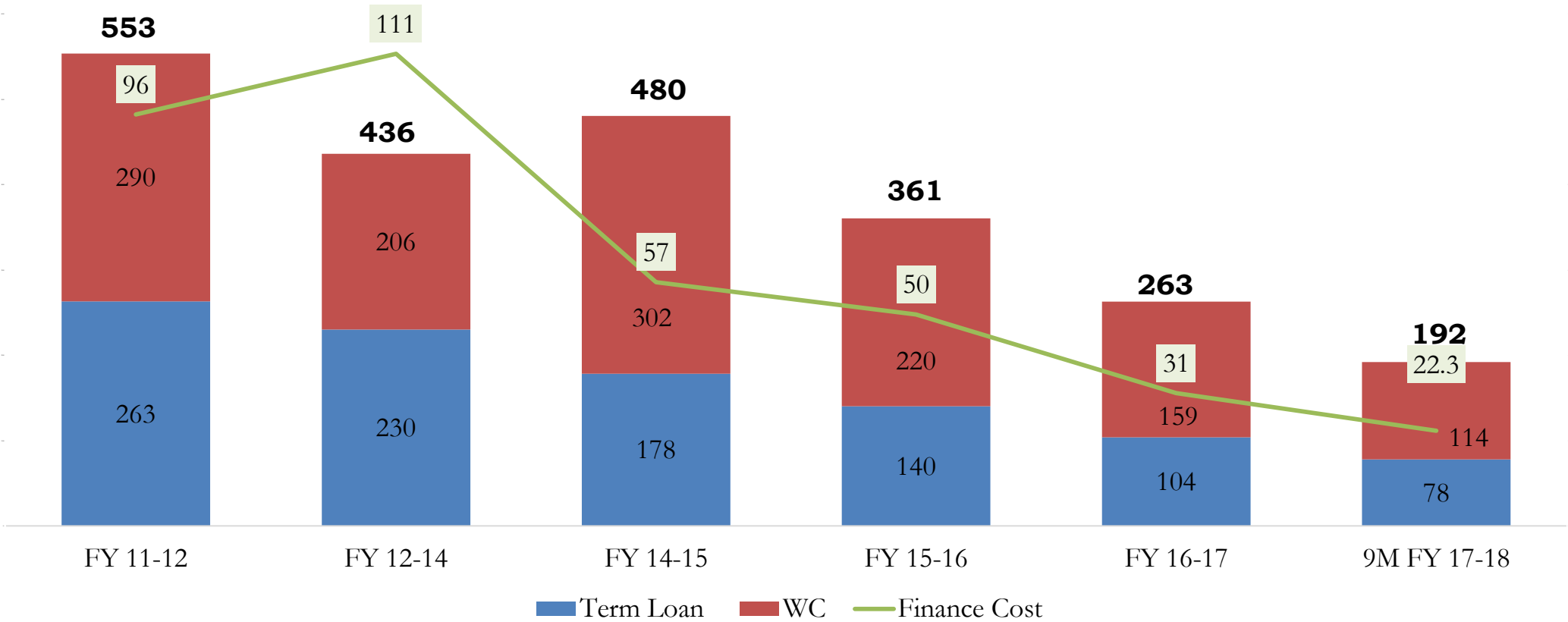
LBBB

LBBB+

A-

A

A+



*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.

*Finance Cost for FY 12-14 is for 18 months.

Rajan Nanda, Chairman and Managing Director

Positive macro-Economic indicators & govt focus on agriculture and infrastructure is driving a stronger market demand. Hopefully, the upcoming union budget will further support the respective sectors and create more segment opportunities. We will continue to invest in technology, channel and product mix for enhanced business productivity



Nikhil Nanda, Managing Director

“Escorts will continue to mechanise farms and bring global standards to urban infrastructure with a very competitive and innovative product portfolio. We are investing extensively in R&D and creating a roadmap of strategic partnerships to bring in the best in class and globally benchmarked technology solutions to tap the emerging opportunities across agriculture, infrastructure and railway segments both for domestic and global demand”

Highlights



Q3FY18

18,418 Units



Domestic Volume

+10.9%

Q3FY17
to Q3FY18

-7.1%

Q2FY18
to Q3FY18

512 Units



Export Volume

+41.1%

Q3FY17
to Q3FY18

-5.4%

Q2FY18
to Q3FY18

₹ 948.4 Cr.



Revenue

+6.7%

Q3FY17
to Q3FY18

-2.6%

Q2FY18
to Q3FY18

10.4%



Domestic SOM

+30 bps

Q3FY17
to Q3FY18

-30 bps

Q2FY18
to Q3FY18

₹ 138.6 Cr.



EBIT

+49.7%
(+421 bps)

Q3FY17
to Q3FY18

14.6%



+3.6%
(+87 bps)

Q2FY18
to Q3FY18

ECE (Escorts Construction Equipment) Q3 Segment Highlights

1,087 Units



Volume

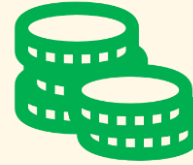
+33.4%

Q3FY17
to Q3FY18

+11.8%

Q2FY18
to Q3FY18

₹ 184.6 Cr.



Revenue

+21.7%

Q3FY17
to Q3FY18

+11.8%

Q2FY18
to Q3FY18

₹ 4.1 Cr.



EBIT

+462 bps

Q3FY17
to Q3FY18

2.2%



+177 bps

Q2FY18
to Q3FY18

RED (Railway Equipment Division) Q3 Segment Highlights

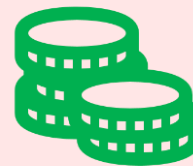
₹ 330 Cr.



Order Book

As of 31st December 2017

₹ 72.03 Cr.



Revenue

+24.2%

Q3FY17
to Q3FY18

-1.8%

Q2FY18
to Q3FY18

₹ 9.4 Cr.



EBIT

+47.0%
(+202 bps)

Q3FY17
to Q3FY18

13.0%



-21.0%
(-318 bps)

Q2FY18
to Q3FY18

Highlights



9MFY18

EAM (Escorts Agri Machinery) 9M Segment Highlights

55,434 Units



Domestic Volume

+15.3%

9MFY17 to 9MFY18

1,415 Units

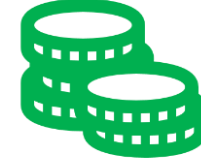


Export Volume

+92.8%

9MFY17 to 9MFY18

₹ 2,863.8 Cr.



Revenue

+12.6%

9MFY17 to 9MFY18

10.3%



Domestic SOM

-10 bps

9MFY17 to 9MFY18

₹ 374.2 Cr.



EBIT

+41.8%

9MFY17 to 9MFY18

13.1%



+269 bps

ECE (Escorts Construction Equipment) 9M Segment Highlights

2,945 Units

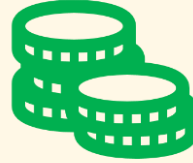


Volume

+29.3%

9MFY17 to 9MFY18

₹ 514.3 Cr.



Revenue

+21.7%

9MFY17 to 9MFY18

₹ 1.43 Cr.



EBIT

+446 bps

9MFY17 to 9MFY18

0.3%



RED (Railway Equipment Division) 9M Segment Highlights

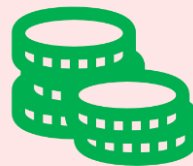
₹ 330 Cr.



Order Book

As of 31st December 2017

₹ 210.6 Cr.



Revenue

+19.7%

9MFY17 to 9MFY18

₹ 27.7 Cr.



EBIT

+17.9%

9MFY17 to 9MFY18

13.2%



-20 bps



NETS (70-90 HP)

(New Escorts Tractor Series)

- Global portfolio of tractors for the export market
- CRDi engine



Atom Series

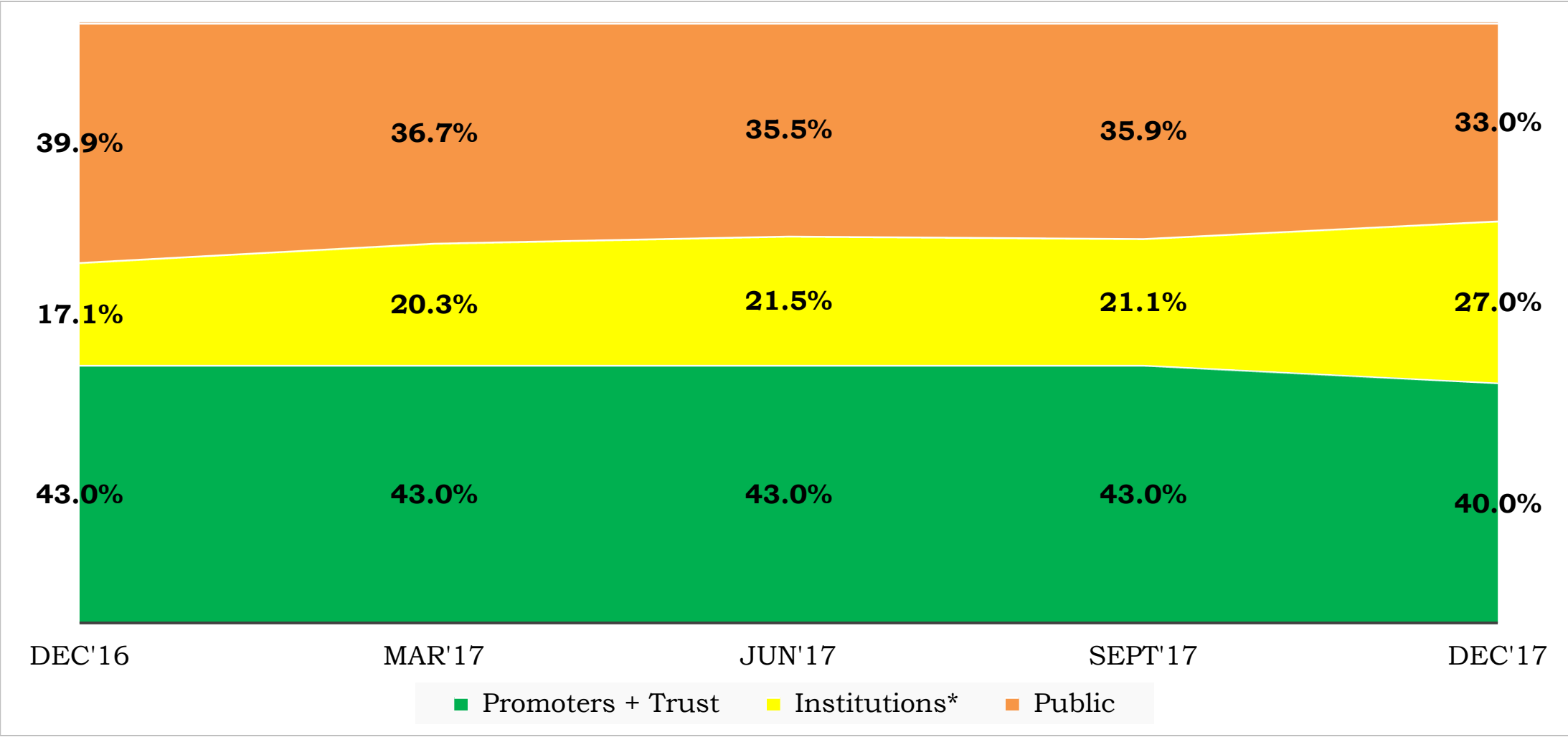
- Domestic Market
- (21-30 HP)
- Orchard and Vineyard



Farmtrac 6050

(50 HP) - 4WD

- 8+8 Constant Mesh Transmission



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended



ESCORTS LIMITED

Unaudited standalone financial results for the quarter and nine months ended December 31, 2017

Particulars	Rs. in lakhs				
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the Nine Months ended	
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Income					
Revenue from operations (refer note 2)	1,20,503.30	1,21,168.50	1,09,293.05	3,57,987.11	3,12,367.58
Other income	820.00	814.89	786.01	3,684.59	2,515.12
Total income	1,21,323.30	1,21,983.39	1,10,079.06	3,61,671.70	3,14,882.70
Expenses					
Cost of materials consumed	64,912.83	75,768.85	67,887.91	2,22,315.28	1,93,470.01
Purchases of stock-in-trade	5,684.97	4,893.46	6,027.03	18,121.58	18,131.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	9,587.75	147.75	(50.43)	(1,417.23)	(2,582.82)
Excise duty paid on sales	-	-	1,862.56	2,085.47	5,283.30
Employee benefits expense	10,485.84	11,574.13	9,847.11	32,182.18	29,586.79
Finance costs	592.97	840.22	493.65	2,228.20	1,992.03
Depreciation & amortisation expense	1,794.37	1,790.86	1,671.25	5,364.40	4,633.87
Other expenses	15,329.15	14,695.16	14,570.02	46,353.79	43,543.32
Total expenses	1,08,387.88	1,09,710.43	1,02,309.10	3,27,233.67	2,94,057.50
Profit from continuing operations before exceptional items and taxes	12,935.42	12,272.96	7,769.96	34,438.03	20,825.20
Exceptional items	(11.64)	687.50	202.26	675.86	1,094.84
Profit from continuing operations before tax	12,947.06	11,585.46	7,567.70	33,762.17	19,730.36
Tax expense					
Current Tax	2,674.65	3,877.26	3,373.63	9,155.20	6,786.34
Deferred tax (credit) / charge	1,074.72	(47.79)	(1,161.66)	1,388.87	(1,257.87)
Total Tax Expense	3,749.37	3,829.47	2,211.97	10,544.07	5,528.47
Net profit from continuing operations after tax	9,197.69	7,755.99	5,355.73	23,218.10	14,201.89

Loss from discontinued operations before tax	-	-	(4,319.05)	-	(5,881.43)	(5,845.66)
Tax expense of discontinued operations	-	-	(1,234.46)	-	(1,775.17)	(1,775.17)
Loss from discontinued operations after tax	-	-	(3,084.59)	-	(4,106.26)	(4,070.49)
Net profit for the period	9,197.69	7,755.99	2,271.14	23,218.10	10,095.63	16,043.93
Other comprehensive income						
a) Items that will not be reclassified to profit and loss	0.77	31.25	(4.71)	(28.19)	0.31	512.43
b) Income tax relating to items that will not be reclassified to profit and loss	(0.09)	(5.00)	0.49	17.06	0.49	1.74
c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
d) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income	0.68	26.25	(4.22)	(11.13)	0.80	514.17
Total comprehensive income for the period	9,198.37	7,782.24	2,266.92	23,206.97	10,096.43	16,558.10
Paidup equity share capital, equity share of ₹ 10/- each	12,257.69	12,257.69	12,257.69	12,257.69	12,257.69	12,257.69
Other equity excluding revaluation reserve						1,83,241.15
Earnings per share (for continuing operation) of ₹ 10/- each:						
(a) Basic (₹)	7.70	6.49	4.48	19.43	11.89	16.84
(b) Diluted (₹)	7.70	6.49	4.48	19.43	11.89	16.84
Earnings per share (for discontinued operation) of ₹ 10/- each:						
(a) Basic (₹)	-	-	(2.58)	-	(3.44)	(3.41)
(b) Diluted (₹)	-	-	(2.58)	-	(3.44)	(3.41)
Earnings per share (for discontinued & continuing operation) of ₹ 10/- each:						
(a) Basic (₹)	7.70	6.49	1.90	19.43	8.45	13.43
(b) Diluted (₹)	7.70	6.49	1.90	19.43	8.45	13.43

For ESCORTS LIMITED

Place : Faridabad
Date : 31/01/2018

(RAJAN NANDA)
CHAIRMAN

Escorts Limited
Phone: 0129-2250222, Fax: 0129-2250060
E-mail: corpsect@ndb.vsnl.net.in, Website: www.escortsgroup.com
Registered Office : 15/5, Mathura Road, Faridabad – 121 003, Haryana
CIN - L74899HR1944PLC039088



ESCORTS LIMITED

Segment wise revenue, results and capital employed for the quarter and nine months ended December 31, 2017

		Rs. in lakhs					
Sl. No.	Particulars	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the Nine Months ended		For the year ended
		31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Segment revenue:						
	a) Agri machinery products	94,840.34	97,330.18	88,927.20	2,86,380.03	2,54,417.88	3,34,600.29
	b) Construction equipments	18,463.19	16,513.32	15,169.41	51,432.56	42,271.58	60,676.16
	c) Railway equipments	7,203.04	7,331.18	5,798.90	21,057.70	17,589.11	24,246.64
	d) Auto ancillary products (discontinued operation)	-	-	1,550.99	-	4,977.40	5,134.45
	e) Unallocated	9.60	9.60	32.20	28.80	174.12	203.15
	Total	1,20,516.17	1,21,184.28	1,11,478.70	3,58,899.09	3,19,430.09	4,24,860.69
	Less: Inter segment revenue	12.87	15.78	634.66	911.98	2,085.11	2,968.29
	Net segment revenue	1,20,503.30	1,21,168.50	1,10,844.04	3,57,987.11	3,17,344.98	4,21,892.40
2	Segment results:						
	a) Agri machinery products	13,864.34	13,377.04	9,259.67	37,417.63	26,386.89	34,464.75
	b) Construction equipments	412.94	77.75	(361.12)	143.03	(1,767.41)	(1,381.62)
	c) Railway equipments	938.63	1,188.48	638.45	2,772.10	2,350.85	3,067.45
	d) Auto ancillary products (discontinued operation)	-	-	(210.70)	-	(1,065.02)	(1,029.25)
	Total	15,215.91	14,643.27	9,326.30	40,332.76	25,905.31	35,121.33
	Less :						
	- Finance cost	592.97	840.22	833.48	2,228.20	2,915.68	4,035.02
	- Exceptional items	(11.64)	687.50	3,970.78	675.86	4,987.59	3,516.38
	- Other unallocable expenditure	1,687.52	1,530.09	1,273.39	3,666.53	4,153.11	5,740.53
	(Net of unallocable income)						
	Total profit before tax	12,947.06	11,585.46	3,248.65	33,762.17	13,848.93	21,829.40
3	Segment assets						
	a) Agri machinery products	2,12,299.64	2,36,888.46	1,78,234.61	2,12,299.64	1,78,234.61	1,92,287.97
	b) Construction equipments	32,414.84	31,655.23	30,131.75	32,414.84	30,131.75	30,945.25
	c) Railway equipments	17,089.24	16,707.46	12,914.23	17,089.24	12,914.23	14,911.42
	d) Auto ancillary products (discontinued operation)	518.34	263.80	3,304.55	518.34	3,304.55	725.48
	e) Unallocated	1,30,458.11	1,09,759.79	1,12,818.94	1,30,458.11	1,12,818.94	1,12,445.08
	Total	3,92,780.17	3,95,274.74	3,37,404.08	3,92,780.17	3,37,404.08	3,51,315.20
4	Segment liabilities						
	a) Agri machinery products	95,675.99	1,23,950.02	96,254.30	95,675.99	96,254.30	1,03,060.16
	b) Construction equipments	29,529.90	26,604.75	24,112.66	29,529.90	24,112.66	25,513.68
	c) Railway equipments	8,595.20	8,493.95	6,277.49	8,595.20	6,277.49	7,719.33
	d) Auto ancillary products (discontinued operation)	846.69	870.43	3,229.47	846.69	3,229.47	1,537.67
	e) Unallocated	15,732.28	23,816.84	15,568.67	15,732.28	15,568.67	14,368.77
	Total	1,50,380.06	1,83,735.99	1,45,442.59	1,50,380.06	1,45,442.59	1,52,199.61

Notes :

- 1 The above Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on January 31, 2018.
- 2 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 01, 2017 Central Excise, Value Added Tax etc. have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the period upto June 30, 2017 are not strictly relateable to those thereafter. The following additional information is being provided to facilitate such understanding:

Rs In Lakhs						
	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016	
Revenue from continuing operations (A)	1,20,503.30	1,21,168.50	1,09,293.05	3,57,987.11	3,12,367.58	4,16,757.95
Excise duty on sale (B)	-	-	1,862.56	2,085.47	5,283.30	7,442.39
Revenue from continuing operations excluding excise duty on sale (A-B)	1,20,503.30	1,21,168.50	1,07,430.49	3,55,901.64	3,07,084.28	4,09,315.56

- 3 Contractual manpower cost in quarters ended December 31, 2016 and September 30, 2017, nine months ended December 31, 2016 and year ended March 31, 2017 amounting to Rs 1,294.00 lacs and Rs 1,206.22 lacs, Rs 3,610.04 lacs and Rs 4,883.60 lacs respectively have been regrouped from employee benefits expense to other expenses to provide more relevant information
- 4 Exceptional items (continuing operations) in quarters ended December 31, 2017 and September 30, 2017 and nine months ended December 31, 2017 and December 31, 2016 represents amounts incurred/reversed towards Voluntary Retirement Scheme aimed at certain section of employees. During the year ended March 31, 2017, exceptional items include Rs. 1,123.62 lacs in respect of the Voluntary Retirement Scheme and income of Rs. 1,500.00 lacs from Escorts Benefit Trust.
- 5 The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the quarter ended December 31, 2017 which needs to be explained.

Place : Faridabad

Date : 31/01/2018

For ESCORTS LIMITED

(RAJAN NANDA)
CHAIRMAN

Escorts Limited

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CIN - L74899HR1944PLC039088

Certain statements in this document include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance and other factors that impact our businesses and customers. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Escorts Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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