



Q1 FY19 Earning Presentation

July 30, 2018

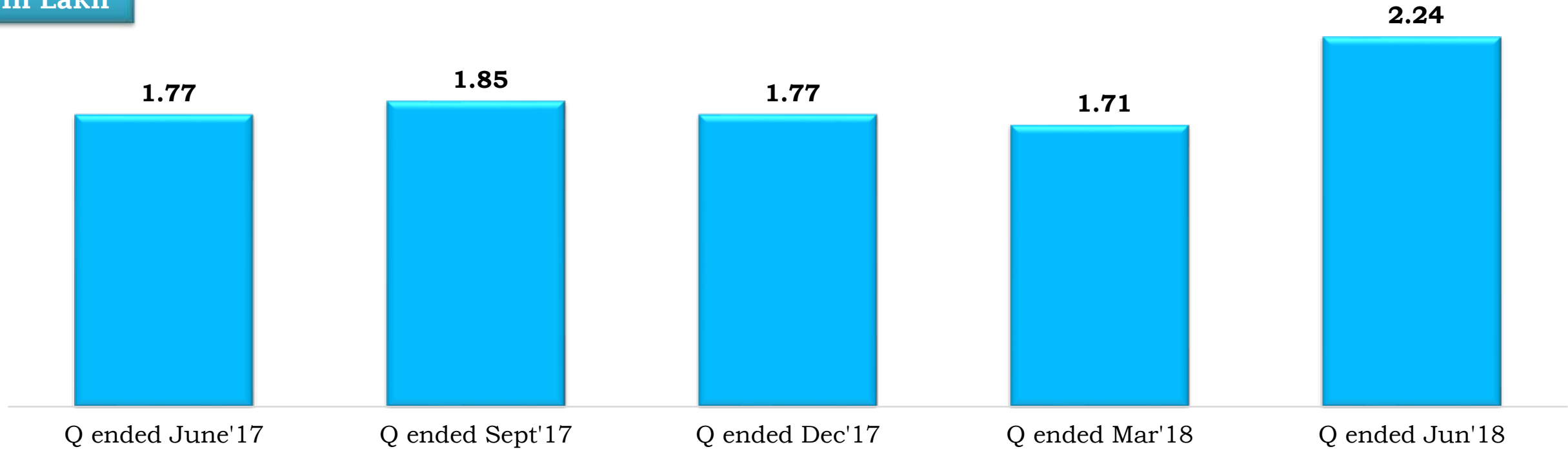


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Domestic Tractor Industry Overview



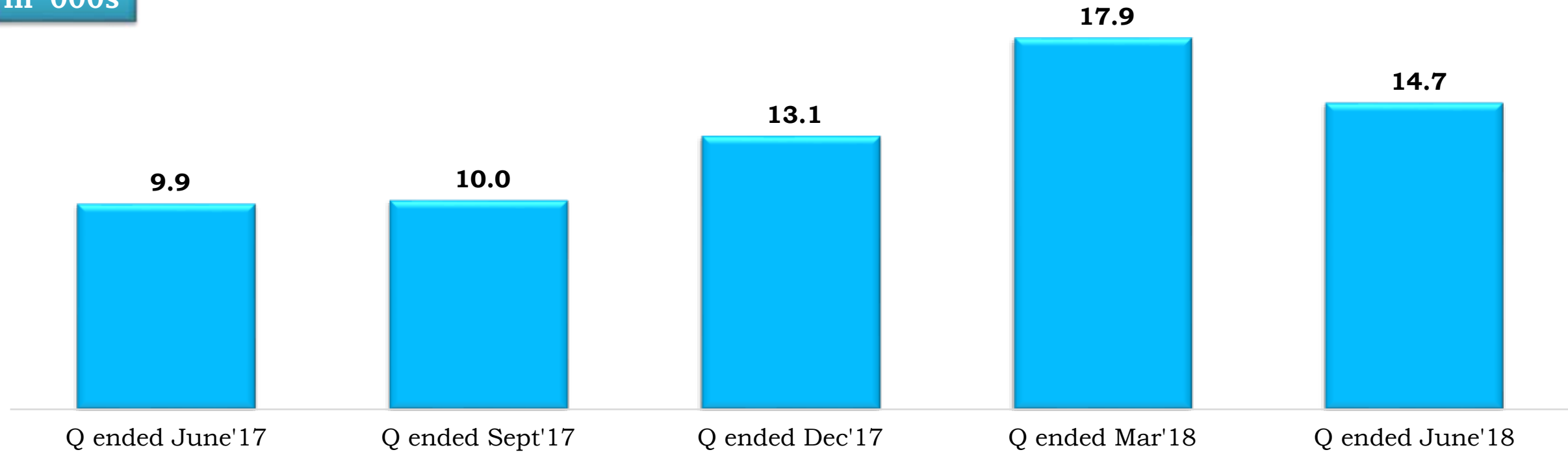
In Lakh



- In Q1FY19 on Y-o-Y domestic Industry up by 26.6%.
- Industry in Q1FY19 on Y-o-Y basis in North and central region grew by 18%, whereas industry grew by 32% in South and west region.
- FY19 industry expected to grow by 12-15%.
- 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

In '000s



- Served industry (Backhoe Loaders, PnC and Compactors) went up by 49.1% in Q1FY19 wrt to LY.
- Material handling have been the biggest gainer in Q1FY19 with growth of 60.9% followed by backhoe loaders with 50% and compactors by 19.7%.
- In FY19 industry is expected to grow by 16~18%.

Escorts Ltd. Highlights Q1FY19



24,494 Units



Tractor Volume

+39.5%

Q1FY18
to Q1FY19

3.9%

Q4FY18
to Q1FY19

1,345 Units



Construction Volume

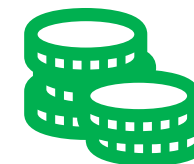
+51.8%

Q1FY18
to Q1FY19

-12.7%

Q4FY18
to Q1FY19

₹ 1,511.3 Cr.



Revenue

+29.9%

Q1FY18
to Q1FY19

+5.2%

Q4FY18
to Q1FY19

₹ 185.5 Cr.



EBIDTA

+90.2%
(+389 bps)

Q1FY18
to Q1FY19

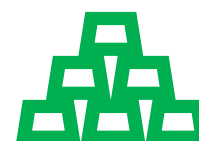
12.3% to sales



+6.8%
(+18 bps)

Q4FY18
to Q1FY19

₹ 120.7 Cr.



Net Profit

+92.7%
(+260 bps)

Q1FY18
to Q1FY19

8.0% to sales

+7.2%
(+15 bps)

Q1FY19
to Q4FY18

₹ 10.10



EPS

+92.8%

Q1FY18
to Q1FY19

+7.2%

Q1FY19
to Q4FY18

Key Ratios Q1FY19



Particular	Q1FY19	Q1FY18	bps change (Y-o-Y)	Q4FY18	bps change (Q-o-Q)
Material Cost	67.6%	67.1%	54	67.4%	24
Manpower Cost	8.0%	8.7%	(69)	7.6%	40
Other Expenses	12.1%	14.0%	(195)	12.9%	(82)
EBIDTA	12.3%	8.4%	389	12.1%	18
Other Income	1.1%	1.8%	(64)	1.6%	(45)
Depreciation	1.4%	1.5%	(17)	1.3%	5
PBT	11.8%	7.9%	391	11.9%	(7)
PAT	8.0%	5.4%	260	7.8%	15

All ratio as Percentage of sales

Credit Rating & Debt profile

External Credit Rating

LBBB-

LBBB

LBBB+

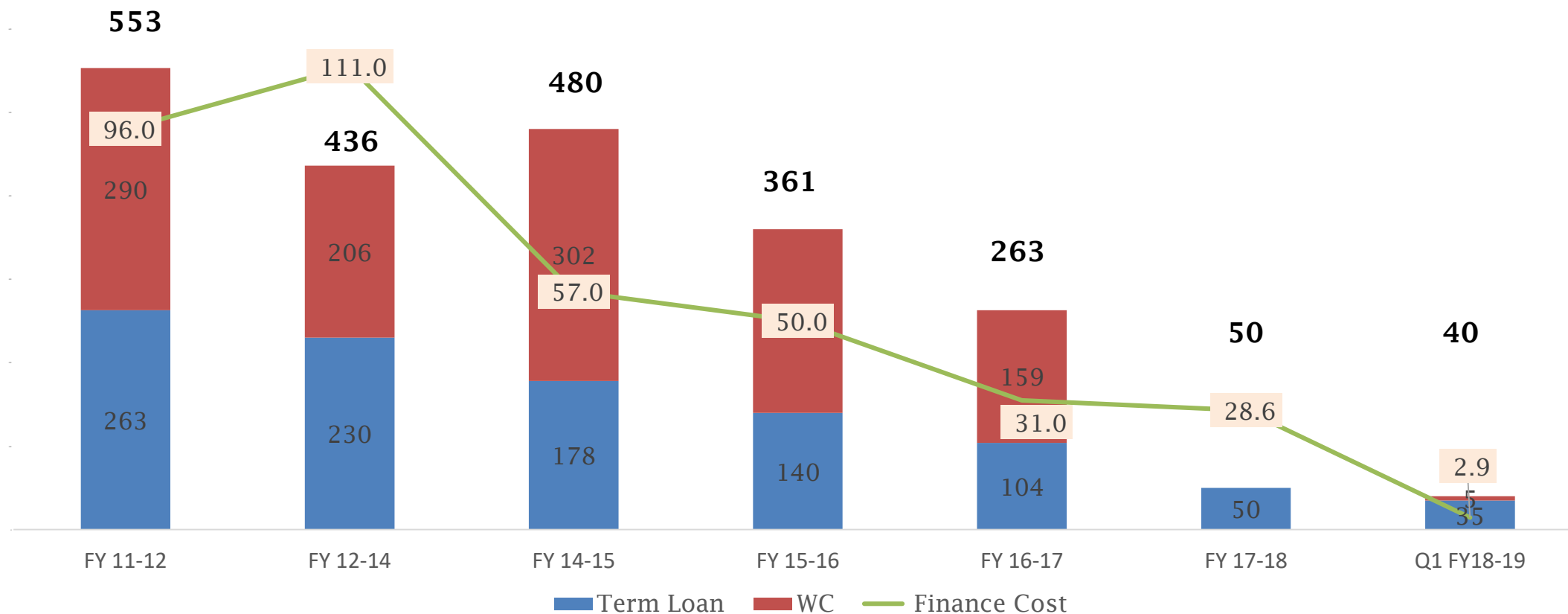
A-

A

A+

AA-

(₹ Crs.)



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

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



Nikhil Nanda, Managing Director

Escorts has seen a positive momentum in the first quarter of this fiscal with a strong performance in June reflecting both farm optimism as well as warm reception for Escorts products with innovative technologies.

We are in a continuous process of developing solutions that are intelligent, environmentally safer and providing better value to our customers. Apart from our focus on advanced technologies such as electric and autonomous tractors, we are partnering global IT, engineering and technology driven firms to develop products that will fundamentally change the way in which farming is done.

Similarly, our focus on urban smart infrastructure and safe railway transport segments is tapping into technology driven sectors. Our strong focus on cost compression, better margins and strong customer connect driven with innovation, we have embarked on a game changing pathway.

With a strong focus on innovation and quality across Agri Machinery, Construction and Railways, the company will continue to strengthen its product offering and leverage the improved market conditions.

Highlights



Q1FY19

EAM (Escorts Agri Machinery) Q1 Segment Highlights



23,939 Units



Domestic Volume

+39.2%

Q1FY18
to Q1FY19

+4.0%

Q4FY18
to Q1FY19

555 Units



Export Volume

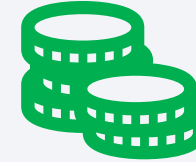
+53.3%

Q1FY18
to Q1FY19

-0.2%

Q4FY18
to Q1FY19

₹ 1,177.2 Cr.



Revenue

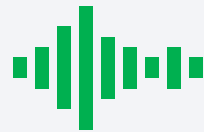
+25.0%

Q1FY18
to Q1FY19

+7.6%

Q4FY18
to Q1FY19

10.7%



Domestic SOM

+94 bps

Q1FY18
to Q1FY19

- 284 bps

Q4FY18
to Q1FY19

₹ 166.6 Cr.



EBIT

+63.7%
(+335 bps)

Q1FY18
to Q1FY19

14.2%



+0.6%
(-99 bps)

Q4FY18
to Q1FY19

ECE (Escorts Construction Equipment) Q1 Segment Highlights



1,345 Units



Volume

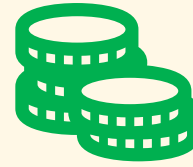
+51.8%

Q1FY18
to Q1FY19

-12.7 %

Q4FY18
to Q1FY19

₹ 246.0 Cr.



Revenue

+49.5%

Q1FY18
to Q1FY19

-7.5%

Q4FY18
to Q1FY19

₹ 5.9 Cr.



EBIT

+451bps

Q1FY18
to Q1FY19

2.4%



-271 bps

Q4FY18
to Q1FY19

RED (Railway Equipment Division) Q1 Segment Highlights

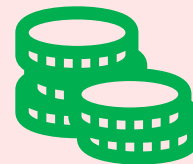
More than ₹ 300 Cr.



Order Book

As of 30th June 2018

₹ 88.1 Cr.



Revenue

+35.0%

Q1FY18
to Q1FY19

+15.9%

Q4FY18
to Q1FY19

₹ 22.3 Cr.

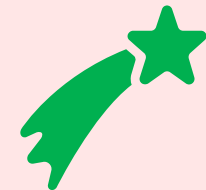


EBIT

+245.8
(+1543 bps)

Q1FY18
to Q1FY19

25.3%



+85.1%
(+947 bps)

Q4FY18
to Q1FY19

Recent Development



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

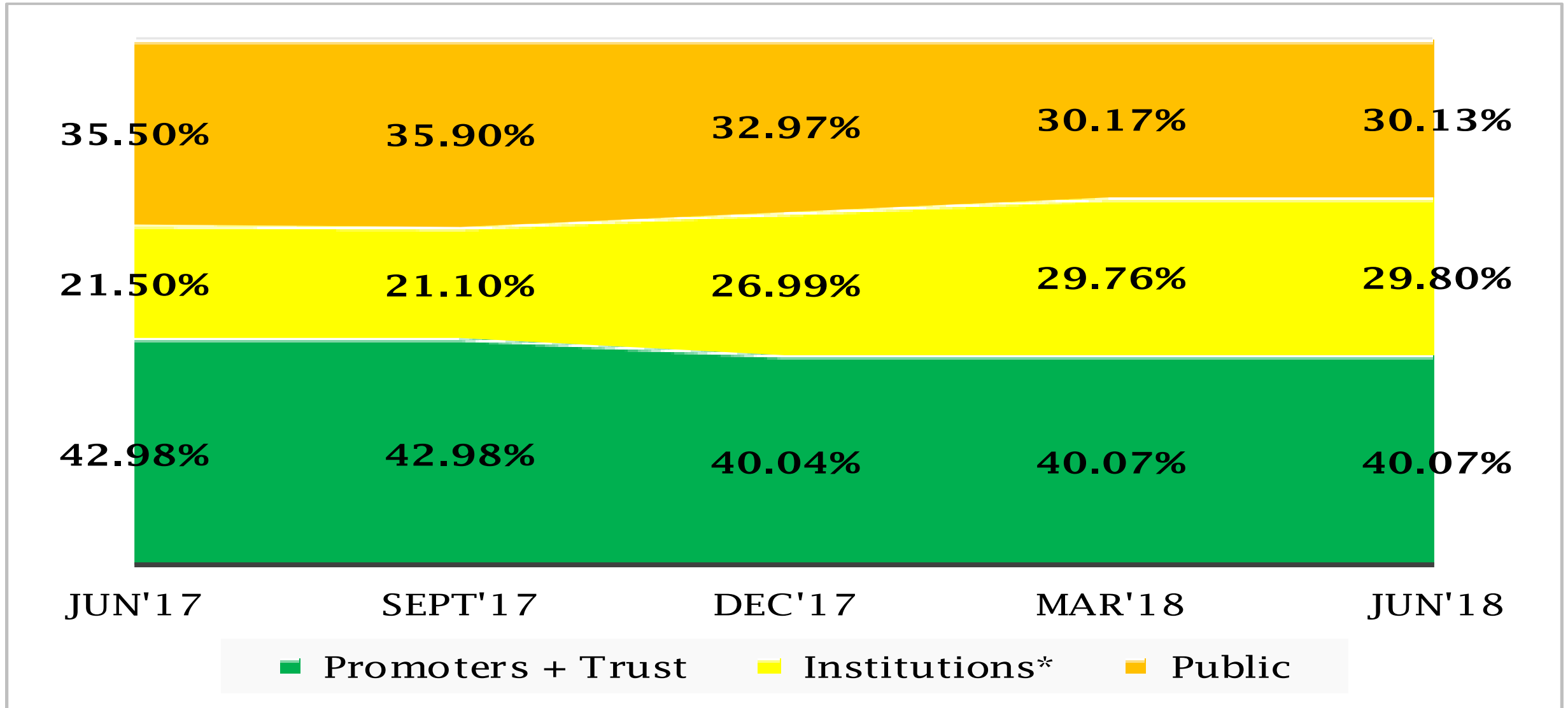


Farmtrac 6050

(50 HP) - 4WD

- 8+8 Constant Mesh Transmission

Share Holding Pattern



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

Annexure

Quarter Ended Jun'18 results



Escorts Limited

Unaudited standalone financial results for the quarter ended June 30, 2018

Particulars	Rs. in lakhs			
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the year ended
	30-06-2018	31-03-2018	30-06-2017	31-03-2018
	Unaudited	Audited *	Unaudited	Audited
Income				
Revenue from operations (refer note 2)	1,51,128.52	1,43,610.40	1,16,315.31	5,01,597.51
Other income	1,697.77	2,256.02	2,049.70	5,940.61
Total income	1,52,826.29	1,45,866.42	1,18,365.01	5,07,538.12
Expenses				
Cost of materials consumed	1,01,602.09	92,465.04	81,633.60	3,14,780.32
Purchases of stock-in-trade	8,893.69	5,158.72	7,543.15	23,280.30
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(8,302.70)	(860.92)	(11,152.73)	(2,278.15)
Excise duty paid on sales	-	-	2,085.47	2,085.47
Employee benefits expense	12,105.66	10,926.04	10,122.20	43,108.22
Finance costs	286.84	628.42	795.01	2,856.62
Depreciation & amortisation expense	2,056.75	1,883.21	1,779.17	7,247.61
Other expenses	18,275.56	18,546.19	16,329.49	64,899.98
Total expenses	1,34,917.89	1,28,746.70	1,09,135.36	4,55,980.37
Profit from continuing operations before exceptional items and taxes	17,908.40	17,119.72	9,229.65	51,557.75
Exceptional items (refer note 4)	-	-	-	675.86
Profit from continuing operations before tax	17,908.40	17,119.72	9,229.65	50,881.89
Tax expense				
Current Tax	5,138.10	742.56	2,603.29	9,897.76
Deferred tax	813.93	5,122.84	361.94	6,511.71
Total Tax Expense	5,952.03	5,865.40	2,965.23	16,409.47
Net profit from continuing operations after tax	11,956.37	11,254.32	6,264.42	34,472.42

Annexure

Quarter Ended Jun'18 results



Profit from discontinued operations before tax	174.12	-	-	-
Tax expense of discontinued operations	60.84	-	-	-
Net profit from discontinued operations after tax	113.28	-	-	-
Net profit for the period	12,069.65	11,254.32	6,264.42	34,472.42
Other comprehensive income				
a) Items that will not be reclassified to profit and loss	(1.35)	1,290.37	(60.21)	1,262.17
b) Income tax relating to items that will not be reclassified to profit and loss	0.16	(180.57)	22.15	(163.49)
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	(1.19)	1,109.80	(38.06)	1,098.68
Total comprehensive income	12,068.46	12,364.12	6,226.36	35,571.10
Earnings per share (for continuing operation) of Rs. 10 each :				
(a) Basic (Rs.)	10.01	9.42	5.24	28.85
(b) Diluted (Rs.)	10.01	9.42	5.24	28.85
Earnings per share (for discontinued operation) of Rs. 10 each :				
(a) Basic (Rs.)	0.09	-	-	-
(b) Diluted (Rs.)	0.09	-	-	-
Earnings per share (for discontinued & continuing operation) of Rs. 10 each :				
(a) Basic (Rs.)	10.10	9.42	5.24	28.85
(b) Diluted (Rs.)	10.10	9.42	5.24	28.85
Paidup equity share capital, equity share of ₹ 10/- each	12,257.69	12,257.69	12,257.69	12,257.69
Other equity				2,42,552.98

* Refer note 6

Annexure

Quarter Ended Jun'18 results



ESCORTS LIMITED
Segment wise revenue, results and capital employed for the quarter ended June 30, 2018

Sl. No.	Particulars	Standalone			Rs. in lakhs
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the year ended
		30-06-2018	31-03-2018	30-06-2017	31-03-2018
		Unaudited	Audited *	Unaudited	Audited
1	Segment revenue:				
	a) Agri machinery products	1,17,720.71	1,09,406.35	94,209.51	3,95,786.38
	b) Construction equipments	24,599.73	26,601.85	16,456.05	78,034.41
	c) Railway equipments	8,808.08	7,602.33	6,523.48	28,660.02
	d) Auto ancillary products (discontinued operation)	-	-	-	-
	e) Unallocated	-	-	9.60	28.80
	Total	1,51,128.52	1,43,610.53	1,17,198.64	5,02,509.61
	Less: Inter segment revenue	-	0.13	883.33	912.10
	Net segment revenue	1,51,128.52	1,43,610.40	1,16,315.31	5,01,597.51
2	Segment results:				
	a) Agri machinery products	16,664.06	16,571.00	10,176.25	53,988.64
	b) Construction equipments	588.93	1,357.82	(347.66)	1,500.85
	c) Railway equipments	2,230.22	1,205.03	644.99	3,977.13
	d) Auto ancillary products (discontinued operation)	174.12	-	-	-
	Total	19,657.33	19,133.85	10,473.58	59,466.62
	Less :				
	- Finance cost	286.84	628.42	795.01	2,856.62
	- Exceptional items	-	-	-	675.86
	- Other unallocable expenditure (Net of unallocable income)	1,287.97	1,385.71	448.92	5,052.25
	Total profit before tax	18,082.52	17,119.72	9,229.65	50,881.89
3	Segment assets				
	a) Agri machinery products	2,43,548.44	2,34,105.81	2,03,633.41	2,34,105.81
	b) Construction equipments	38,868.00	34,566.82	30,864.81	34,566.82
	c) Railway equipments	18,434.55	16,625.04	15,715.65	16,625.04
	d) Auto ancillary products (discontinued operation)	108.31	46.07	901.72	46.07
	e) Unallocated	1,51,525.42	1,41,604.77	1,07,608.36	1,41,604.77
	Total	4,52,484.72	4,26,948.51	3,58,723.95	4,26,948.51
4	Segment liabilities				
	a) Agri machinery products	1,27,835.60	1,22,548.04	1,08,061.71	1,22,548.04
	b) Construction equipments	29,904.97	26,320.35	25,024.77	26,320.35
	c) Railway equipments	9,777.28	8,820.07	7,811.29	8,820.07
	d) Auto ancillary products (discontinued operation)	775.80	733.44	943.89	733.44
	e) Unallocated	17,311.94	13,715.94	11,619.70	13,715.94
	Total	1,85,605.59	1,72,137.84	1,53,461.36	1,72,137.84

* Refer note 6

Annexure

Quarter Ended Jun'18 results



Notes :

- 1 The above Standalone Financial Results for the quarter ended June 30, 2018 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 30, 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:

	Quarter Ended			For the year ended
	30-06-2018	31-03-2018	30-06-2017	31-03-2018
Revenue from continuing operations (A)	1,51,128.52	1,43,610.40	1,16,315.31	5,01,597.51
Excise duty on sale (B)	-	-	2,085.47	2,085.47
Revenue from continuing operations excluding excise duty on sale (A-B)	1,51,128.52	1,43,610.40	1,14,229.84	4,99,512.04

- 3 Contractual manpower cost in quarter ended June 30, 2017 amounting to Rs 1,407.17 lakhs have been regrouped from employee benefits expense to other expenses to provide more relevant information.
- 4 Exceptional items (continuing operations) Rs. 675.86 lakhs during the year ended March 31, 2018 represents amounts incurred towards Voluntary Retirement Scheme aimed at certain section of employees.
- 5 Effective April 1, 2018, the Company has adopted Ind AS 115. The adoption of the standard did not have any impact on the retained earnings of the Company as at April 1, 2018 and its financial results for the quarter ended June 30, 2018.
- 6 The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of year ended March 31, 2018.

For ESCORTS LIMITED

Place : Faridabad
Date : 30/07/2018

NIKHIL NANDA
MANAGING DIRECTOR

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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